



Daily Report

East Asia

FBIS-EAS-96-094
Tuesday
14 May 1996

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CONTENTS

14 May 1996

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INTERNATIONAL AFFAIRS

ARF Senior Officials Agree on India, Burma Memberships [*THE STRAITS TIMES 11 May*] 1

NORTHEAST ASIA

Japan

Tokyo, Washington Begin Two-Day Insurance Talks [<i>KYODO</i>]	2
Japan: Implications of Reform of Insurance Business Law [<i>NIHON KEIZAI SHIMBUN 28 Mar</i>]	2
Japan: Trade Minister Unsure of Talks With U.S. at OECD Meeting [<i>KYODO</i>]	3
Japan: MITI Official Comments on 1996 Unfair Trade Report [<i>Keidanren WWW</i>]	4
Japan: Government Begins Review of Far East Emergency [<i>KYODO</i>]	5
Japan: Government Wants To Shorten Heliport Runway U.S. Demands [<i>ASAHI SHIMBUN 11 May</i>]	6
Japan: Okinawa Considers Options Pending Court Ruling on Leases [<i>RYUKYU SHIMPO 12 May</i>]	6
Japan: Okinawa Landowner Enters U.S. Base Land With Family [<i>KYODO</i>]	7
Japan: Local Mayor To Renew Leases on Military-Occupied Land [<i>RYUKYU SHIMPO 12 May</i>]	7
Japan: Article Views Japan-U.S. Security Declaration [<i>Shima Media Network WWW</i>]	8
Japan: Nakanishi Discusses U.S.-Japan Security [<i>USHIO 1 May</i>]	9
Japan: Editorial Opposes Special Legislation for Enforced Land Use [<i>ASAHI SHIMBUN 12 May</i>]	14
Japan: Editorial Urges Revision of Okinawa Land Use Laws [<i>YOMIURI SHIMBUN 12 May</i>]	15
Japan: Ozawa on KEDO, Taipei, U.S. Ties, Domestic Issues [<i>KYODO</i>]	16
Japan: MOFA Spokesman on Bosnia, ASEAN, Others [<i>Japanese Ministry of Foreign Affairs WWW</i>]	17
Tokyo Welcomes China's Shift to 'Flexible Stance' on CTBT [<i>KYODO</i>]	20
Japan: PRC's Rong Yiren Meets Business Delegation [<i>KYODO</i>]	21
Japan: Keidanren Releases Talks Held With PRC Leaders [<i>Keidanren WWW</i>]	21
Japan: Taiwan's Former DPP Head Comments on 'Indepence' [<i>KYODO</i>]	23
Japan: Defense Research Center Official Discusses Asian Tour [<i>DRC 1 May</i>]	23
Japan: Current Account Surplus Falls for Third Year [<i>KYODO</i>]	25
Japan: Panel Agrees To Discuss Tax Reform, Social Security Burdens [<i>KYODO</i>]	26
Japan: Ministries on Housing Construction Cost Cut [<i>Japan Economic Foundation WWW</i>]	27
Japan: MOF Prepares 'Checklist' for Inspection of Overseas Bank Branches [<i>NIHON KEIZAI SHIMBUN 12 May</i>]	30
Japan: Ruling Coalition Firms Up To Adjust Deposit Insurance Amendment [<i>NIHON KEIZAI SHIMBUN 1 Apr</i>]	30
Japan: Association Says PC Shipments Hit Record in FY95 [<i>KYODO</i>]	31
Japan: Semiconductor Industry Conference Opens in Tokyo [<i>KYODO</i>]	31
Japan: Hashimoto Proposes Regrouping of Government Offices [<i>NIHON KEIZAI SHIMBUN 10 May</i>]	31
Japan: Kajiyama Supports Ban on Employment of Foreigners [<i>KYODO</i>]	32
Japan: TRDI Developing New Field Commo Equipment [<i>ASAGUMO 25 Apr</i>]	33
Japan: KHI Spacecraft Designer on Projects, Part 1 [<i>WING 20 Mar</i>]	34

North Korea

DPRK: MINJU CHOSON Warns ROK Against Starting War [*KCNA*] 35

DPRK: KCNA Calls Kim Yong-sam 'King of Irregularities'	36
DPRK Daily Denounces Kim Yong-sam's 'Liquidation of Corruption' [KCNA]	36
DPRK: VNS Claims Kim Yong-sam Appointing Next Presidential Candidate [KCNA]	36
DPRK: KCNA Reports on ROK Diplomat's Arrest in Documents Case	37
DPRK: ROK University Students Hold Rally on 'May Struggle' [KCNA]	37
DPRK: ROK Opposition Protests 'Election Frauds' [KCNA]	37
DPRK: Trade Deficit 'Widening' in ROK [KCNA]	37
DPRK: Koreans in China Decry Assaults on Students in Japan [KCNA]	38
DPRK: Koreans in CIS Protest Treatment of Korean Students in Japan [KCNA]	38
DPRK: Widow of Japan's Ex-Premier Urges 'Comfort Women' Compensation [KCNA]	38
DPRK: Kim Yong-nam Meets Syrian Vice President, Departs Damascus [Pyongyang Radio]	38
DPRK: Ambassador Pays Farewell Call on Nepal Premier [Pyongyang Radio]	39
DPRK: WPK Greet's Malaysian Ruling Party's 50th Anniversary [KCNA]	39
DPRK: Lao, Japanese Groups Arrive in Pyongyang 14 May [KCNA]	39
DPRK: Youth League Delegation Returns From Russia, Belarus [Pyongyang Radio]	39
DPRK: Pakistani, Yugoslav Communists Express Support for Peace Proposal [KCNA]	39
DPRK: Korea-Italy Friendship Group Meets in Rome [KCNA]	40
DPRK: Mexican Party Leader Comments on Chuche Idea [KCNA]	40
DPRK: Kim Chong-il Receives Messages From Foreign Leaders [KCNA]	40
DPRK: Foreign Papers Carry Kim Il-song's Reminiscences [KCNA]	40
DPRK: Select Works of Kim Il-song Published in Foreign Languages [KCNA]	41
DPRK: NODONG SINMUN Reports KPA To Help Ensure Peace, Security [KCNA]	41
DPRK: Production of Consumer Goods Reportedly Increases [KCNA]	42
DPRK: European Group Decried for Slandering Religious Policy [KCNA]	42
DPRK: Guidelines on Developing Metal Industry Reported [MINJU CHOSON 6 Feb]	43

South Korea

ROK: Full Text of Statement Released After Talks With U.S., Japan [YONHAP]	45
ROK, U.S. To Propose Joint Meeting To Explain 4-Way Talks to DPRK [Seoul Radio]	45
ROK, Japanese Defense Ministers Support 4-Way Talks [YONHAP]	46
ROK 'Secured Support' for Four-Way Proposal at Third ARF-SOM [YONHAP]	46
ROK: SRV 'Fully Supports Peaceful Sentiment' Between Koreans [YONHAP]	46
ROK: DPRK Response to 4-Way Talks To Affect Rice Aid, Sanctions [YONHAP]	47
ROK: DPRK Participants Stress Cooperation at PRC Symposium [SEOUL SINMUN 13 May]	48
ROK Daily Profiles DPRK Vice Marshal Kim Yong-chun [HANGUK ILBO 13 May]	49
ROK: DPRK To Reduce Number of Official Vehicles by 40 Percent [The Joong-Ang Ilbo WWW]	49
ROK: Researcher Says DPRK Suffering From Environmental Pollution [THE KOREA ECONOMIC WEEKLY 6 May]	49
ROK: Kumho Group Chairman Meets DPRK's Kim Chong-u in Beijing [KYONGHYANG SINMUN 11 May]	50
ROK: President Kim Hosts Lunch for New Zealand's Bolger [YONHAP]	50
ROK: New Zealand's Bolger Meets Reporters, Comments on Visit [YONHAP]	50
ROK, New Zealand Agree To Step Up Economic Cooperation [THE KOREA TIMES 12 May]	50
ROK: Defense Minister To Travel to Japan, Thailand, Saudi Arabia [YONHAP]	51
ROK: Ambassador Meets Senior Japanese Policymakers [YONHAP]	51
ROK, Polish Prime Ministers Hold Joint News Conference [YONHAP]	52
ROK: Military Lowers Alert Status to 'Watch Con 3' [YONHAP]	52
ROK: Seoul To Hold 5-Day Military Drill [THE KOREA HERALD 14 May]	52
ROK: Alleged Forgery by Ex-Diplomat in New Zealand Described [YONHAP]	53
ROK: Ex-Diplomat Arrested for Forging, Leaking Document [YONHAP]	53
ROK: Prosecutors Question Former Diplomat in Forgery Case [THE KOREA TIMES 11 May]	53
ROK: NCNP Claims Ex-Diplomat 'Tricked' Into Confessing to Forgery [YONHAP]	54

ROK: Kim Yong-sam Asks Cabinet To Push 'Rational' Deregulation [YONHAP]	55
ROK Government To Launch 'Sweeping' Administrative Reform Program [YONHAP]	55
ROK: Finance Ministry Announces More Liberalization Measures [THE KOREA TIMES 14 May]	56
ROK: Defense Requests Bail for Former Presidents Chon, No [THE KOREA TIMES 11 May]	56
ROK: Chon, No Face Expulsion From Veteran's Association [The Digital Chosun Ilbo WWW]	57
ROK: Lawmakers Suspected of Underreporting Campaign Expenses [The Joong-Ang Ilbo WWW]	57
ROK: Editorial on Possible 'Falsified Reporting' of Campaign Funds [The Digital Chosun Ilbo WWW]	57
ROK: Three Former DP Lawmakers-Elect Join Ruling NKP [YONHAP]	58
ROK: Opposition Protests NKP's 'Continuing Efforts' To Secure Majority [YONHAP]	58
ROK: NKP 'Slackening' Push To Recruit Opposition Lawmakers [THE KOREA HERALD 12 May]	59
ROK: NKP Reshuffles Middle-Echelon Post Holders [YONHAP]	59
ROK: NKP Chairman Comments on Timetable To Elect Presidential Candidate [YONHAP] ..	60
ROK: Yi Hoe-chang Urges 'Contest' To Select NKP Presidential Candidate [YONHAP]	60
ROK: NCNP Lawmaker Urges 'Open Competition' for Presidency [YONHAP]	61
ROK: NCNP Demands Foreign Minister's Dismissal [YONHAP]	61
ROK: Daewoo Heavy Industries Develops Surface-to-Air Missile [The Digital Chosun Ilbo WWW]	61

SOUTHEAST ASIA

Burma

Burma: Suu Kyi: National Reconciliation Can Make SLORC 'Happy' [London International]	62
Burma: SLORC Soldier Defects to ABSDF With Weapon, Ammunition [Radio DVOB]	62
Burma: Eleven MTA Members Surrender in Mong Hsat 30 Apr [Rangoon Radio]	62

Brunei, Malaysia & Singapore

Malaysia

Malaysia: UMNO, Iraqi Ruling Party To Sign Cooperation Protocol [THE STAR 14 May]	63
Malaysia: Foreign Fishermen, 4 Boats Detained off Sarawak [NEW STRAITS TIMES 9 May] ..	63
Malaysia: Opposition Leaders View Faults of Seventh Plan [NEW STRAITS TIMES 7 May] ..	63
Malaysia: Daily Hails High Technology Program Under Seventh Plan [NEW STRAITS TIMES 8 May]	64
Malaysia: Opposition Leader Confirms Return to UMNO [BERITA HARIAN 10 May]	64

Singapore

Singapore: Editorial Urges Final Settlement of Sino-U.S. Trade Dispute [THE STRAITS TIMES 13 May]	65
Singapore: Goh Appeals for Support To Ensure Social Cohesion [THE SUNDAY TIMES 12 May]	66

Indonesia

Indonesia: Military Chief Meets With Visiting PRC General [Jakarta Radio]	67
Indonesia: Taiwan Economics Minister Addresses Trade Center Opening [Taiwan Central News Agency WWW]	67
Indonesia: Editorial Views Controversy Over National Car Policy [KOMPAS 13 May]	68
Indonesia: President Opens Investment Summit, Discusses Economy [Jakarta Radio]	69
Indonesia: Mediation Fails To Win Release of Irian Jaya Hostages [Rotterdam ALGEMEEN DAGBLAD 13 May]	70

Philippines

Philippines: Ramos Urges Greater Private Sector Involvement in APEC [BUSINESS WORLD 13 May]	70
---	----

Philippines Official: No Formal Position on AFTA Opening [<i>BUSINESS WORLD 10 May</i>] ...	71
Philippines: Government, Communists Agree To Resume Peace Talks [<i>MANILA BULLETIN 14 May</i>]	71

Thailand

Thailand: Europeans Threaten Retaliation Over Counterfeit Products [<i>PRACHACHAT THURAKIT 13-15 May</i>]	72
Thailand: Ministry To Propose Guarantees for Investments in Region [<i>THE NATION 13 May</i>]	72
Thailand: Official Sums Up 'Mood' of ASEAN Officials Meeting [<i>THE NATION 14 May</i>]	73
Thailand: Phalang Tham Unfazed by Threat of 'Ouster' From Government [<i>THE SUNDAY POST 12 May</i>]	74
Thailand: Article Examines Banhan's Call To End Censure Debate [<i>THE SUNDAY POST 12 May</i>]	75
Thailand: Further on Discord Within Coalition Following Censure Vote [<i>Bangkok TV</i>]	76
Thailand: Censure Failure Blamed on Opposition's Poor Planning [<i>BUSINESS DAY 13 May</i>]	77
Thailand: Columnist Blames All Sides for Censure Debate 'Ugliness' [<i>THAI RAT 13 May</i>] ...	78
Thailand: Daily: Premature Closure of Censure Debate 'Disgrace' [<i>BANGKOK POST 13 May</i>]	78
Thailand: Paper Views Threat Posed by 'Political Instability' [<i>PRACHACHAT THURAKIT 13-15 May</i>]	79
Thailand: Pressure Increases on Banhan for May Reshuffle [<i>THE NATION 14 May</i>]	80
Thailand: Party Threatens Pullout if No Reshuffle by End May [<i>THAILAND TIMES 14 May</i>]	81

Vietnam

SRV: Singapore Prime Minister Arrives on Working Visit 13 May [<i>VNA</i>]	82
SRV: Singapore's Goh, Vo Van Kiet Discuss Regional Issues [<i>THE STRAITS TIMES 14 May</i>]	82
SRV: Singapore's Goh Says Industrial Park Symbolizes Ties [<i>THE STRAITS TIMES 14 May</i>]	83
SRV: Indian Naval Chief Arrives, Meets With Defense Minister [<i>VNA</i>]	84
SRV: Foreign Ministry Spokesman Addresses Whitehead Camp Issue [<i>AFP</i>]	84
SRV: Deputy Minister Interviewed on Foreign Investment [<i>VIETNAM ECONOMIC TIMES Apr</i>]	85
SRV: Government To Equitize State-Owned Enterprises [<i>VNA</i>]	86
SRV: General Secretary Discusses 'Human Factor,' Other Issues [<i>CONG AN THANH PHO HO CHI MINH 1 May</i>]	86
SRV: All-Army Party Congress 8 May Proceedings Reported [<i>Hanoi Radio</i>]	87
SRV: Military 'Actively Engaging' in Economic Development [<i>VNA</i>]	88
SRV: Open-Door Policy Reaffirmed; Decadent Culture Attacked [<i>Hanoi Radio</i>]	89

AUSTRALASIA

Australia

Australia: Minister Says Government To Rebuild Ties With Europe [<i>Melbourne International</i>]	91
Australia: Canberra Deports 59 Boat People to Southern China [<i>Melbourne International</i>]	91
Australia: Another 66 Boat People Arrive on Christmas Island [<i>Melbourne International</i>]	91
Australia: Trade Minister Outlines APEC Action Plan [<i>Australian Department of Foreign Affairs and Trade WWW</i>]	91

French Polynesia

French Polynesia: Ruling Party Retains Control in Election [<i>Wellington International</i>]	92
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New Zealand

New Zealand: Prime Minister Bolger on Relations With United States [<i>Melbourne International</i>]	92
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ARF Senior Officials Agree on India, Burma Memberships

BK1305073396 Singapore THE STRAITS TIMES in English 11 May 96 p 17

[Report by Lee Kim Chew]

[FBIS Transcribed Text] The Asean Regional Forum (ARF) yesterday agreed on a membership criteria and will invite India and Myanmar [Burma] to become members at its next ministerial meeting in July.

The inclusion of the two countries to make it a 21-member forum means that the ARF will have a bigger geographical footprints to discuss security issues in the region.

This expansion is a significant development for the fledgling forum, which was initiated by the Asean countries in 1994 to foster regional peace and security by engaging the major powers.

Senior ARF officials wrapped up their discussions here yesterday on the membership criteria, which will be tabled formally for adoption at the ARF ministerial meeting in Jakarta on 23 July.

Its main points are:

- Commitment: New members have to be sovereign states and they must subscribe to ARF goals, which are to promote trust and reduce misunderstanding among countries in the region. Countries which join Asean, prime-mover of the forum, automatically become ARF members.

- Relevance: New members can be admitted only if it is shown that they have an impact on the peace and security in North-east Asia, Southeast Asia and Oceania (Australia, New Zealand)-the "geographical footprint" of ARF activities.

- Gradual expansion: Membership has to be kept at a manageable level to ensure effectiveness. The prevailing sentiment is for the ARF to expand cautiously.

- Consultations: All ARF members have to be consulted to ascertain that there is a consensus to admit new members.

In the case of India and Myanmar, there was consensus to admit them after some debate among the ARF members, which include the United States, China, Russia, Japan and the European Union.

India, geographically close to South-east Asia and sharing a common border with Myanmar, has been seeking ARF membership. It became a full dialogue partner of Asean last December.

Myanmar qualifies for membership by virtue of being a South-east Asian country, and it is expected to join Asean in the near future.

According to some officials, the prevailing sentiment now is for membership to stop at 21, for now at least, to let the forum consolidate its confidence-building activities.

Yesterday's meeting ended a day ahead of schedule because the officials were able to agree on the key issues.

There was initially some concern that the discussions, particularly on ARF membership, would be difficult in the diverse group, but this was not to be.

The Indonesian chairman, Mr. Izhar Ibrahim, a senior Foreign Ministry official, told reporters that everything went smoothly.

"There was a spirit of cooperation and understanding from all sides. There was no unnecessary debate," he said.

As an indication that the ARF is on course to become a major forum for discussions on regional security, China and the Philippines have agreed to take over as the new co-chairs on the ARF inter-sessional group on confidence-building measures.

"China's offer to be the co-chairman shows its commitment to keep the ARF process going," said a senior Asean official.

A new group on disaster relief will be formed, and this will be co-chaired by Thailand and New Zealand.

Japan

Tokyo, Washington Begin Two-Day Insurance Talks

OW1405035096 Tokyo KYODO in English
0125 GMT 14 May 96

[FBIS Transcribed Text] Tokyo, May 14 KYODO — Japan and the United States started two-day talks in Tokyo on Tuesday [14 May] morning in a bid to settle their dispute over measures taken by Japan to liberalize its insurance market.

The meeting is being joined by Haruhiko Kuroda, deputy director general of the Finance Ministry's International Finance Bureau, and deputy assistant U.S. Trade Representative James Southwick.

At the outset of the meeting, Kuroda said, "Japan hopes the talks will become constructive so that there will be progress toward an agreement."

Finance Ministry sources said the focus of the talks will concern what proposals the U.S. side is prepared to make to resolve the insurance dispute by the June 1 deadline.

Earlier this month, Ira Shapiro, senior counsel and negotiator at the office of the U.S. Trade Representative, said, "we've got some ideas that we're looking forward to sharing with Japan."

At the center of the insurance dispute is the scope of the so-called "third-sector" products to be handled by Japanese life and nonlife insurers through subsidiaries.

The sector covers sickness, accident and nursing insurance products, an area where foreign companies are strong.

Washington has insisted life and nonlife insurance subsidiaries to be set up by Japanese insurers should be barred from the third sector until Japan fully liberalizes its primary life and nonlife insurance markets.

At the two previous meetings, Japan proposed measures to deregulate the primary markets and asked the U.S. to accept the plans to allow Japanese insurers' subsidiaries to handle third-sector products, ministry sources said.

The U.S. side, however, rejected the request, they said.

Japan: Implications of Reform of Insurance Business Law

962A0072A Tokyo NIHON KEIZAI SHIMBUN
in Japanese 28 March 96 p 8

[Unattributed article: "Reform of Insurance System to Start: Life Insurers and Casualty Insurers Enter Each Other's Business Fields, But Outlook is Murky"]

[FBIS Translated Text]

Installment 1.

Principal Features of Revised Insurance Industry Law

—Life and casualty insurers are allowed to enter each other's industry sectors through subsidiaries.

—Introduction of insurance brokerage system.

—Introduction of a solvency margin criteria as an operating soundness index (Not subject to disclosure for the near term).

—Partial decontrol of insurance products and rates sold to corporations.

—Establish an "Insured Protective Fund" to provide relief to insured but bankrupt companies.

—Lifting of ban on policy comparison sales tactics.

—Minimum capitalization (Fund requirement for mutual companies was reduced to 1 billion yen).

Life and Casualty Insurers Planning to Establish Subsidiaries

Six Life Insurers	Eleven Casualty Insurers
Nihon Life	Tokyo Marine
Daiichi Life	Mitsui Marine
Sumitomo Life	Sumitomo Marine
Meiji Life	Nihon Fire
Mitsui Life	Nichido Fire
Yasuda Life	Daitokyo Fire
	Chiyoda Fire
	Fuji Fire
	Dowa Fire
	Koa Fire
	Kyoei Fire

An Insurance Business Law, containing extensive revisions for the first time in 56 years, was implemented effective 1 April. The main features of the new Insurance Business Law are varied to include provisions for life and casualty insurers to enter each others sectors through subsidiaries and introduction of insurance brokerages, but the question is, just what is going to change for insurers and consumers? This article takes a look at the situation to follow industry reform.

"It appears that the Ministry of Finance is advising companies undergoing financial difficulties to forego any plans to establish subsidiaries." This was a rumor that was circulating in the life and casualty insurance industry in the middle of March just before the implementation of the revised Insurance Business Law.

The source of the rumor was the orientation held by the Ministry of Finance Insurance Department on the 12th for the benefit of life and casualty insurers who were planning on establishing subsidiaries. Supposedly, the Ministry of Finance used that occasion to provide "guidance" to individual firms.

A planning officer at a leading life insurer comments, "I think it is nothing more than a rumor, but it would not be strange for the Ministry of Finance to provide guidance of that nature." "In reality, even if a financially troubled insurer were to form a subsidiary, it would be difficult for the subsidiary to perform effectively."

The most significant feature of the recent industry reform involves the use by life and casualty insurers of subsidiaries to enter each other's sector. Establishment of subsidiaries will enable life insurers to become casualty insurers and for casualty insurers to become life insurers. At the present time, six leading life insurers excluding Asahi Life and Chiyoda Life, four leading casualty insurers excluding Yasuda Fire & Marine Insurance, and seven medium-sized insurers plan on establishing subsidiaries to become "general insurers."

Coverage of both life and casualty sectors by individual firms will enable consumers, insurance company salesmen, and insurance agencies to deal with combined life and casualty packages in a "one-stop shopping arrangement."

However, such a rosy outlook is far from realistic. The foremost reason is that both life and casualty markets are saturated.

Total annual value of life insurance coverage is definitely destined to drop again in Fiscal Year 1995 for the fourth consecutive year. Even in the casualty insurance sector, premium income of the five leading firms in Fiscal Year 1994 registered the smallest increase since the high-growth period. Revenue and profit declines ac-

companying stagnant sales have made both sectors extremely defensive, limiting the near-term activities of subsidiaries.

It appears that participation of subsidiaries in the "third sector" covering bodily injury and disability insurance which are the few remaining growth sectors will be restricted. The reason is that the United States has taken the position that entrance into the third sector by Japanese insurance subsidiaries would violate the October 1994 Japan-U.S. agreement extending protection to foreign firms which pioneered the third sector and is demanding total control over sector participation by Japanese insurance subsidiaries.

Talks between the Japanese and U.S. Governments on the nature of the agreement have been bogged down, while the life and casualty insurance industries have expressed their concerns by saying, "If we cannot participate in the third sector, such restriction will impact on our operating plans for the subsidiaries."

As reflected in the industry-wide uniform rate increases for life insurance policies to go into effect in April and the near identical products and rates offered by the casualty insurers, the insurance industry still adheres to uniform products and rates under long-standing protection under Ministry of Finance administration.

Even if the insurers were to establish subsidiaries, it is difficult to foresee product or market growth which could be sustained under the current framework. If subsidiaries were to handle products and rates which already exist and engage in a struggle to grab market share, consumers can hardly expect to reap any benefits from the move to allow life and casualty insurers to enter each other's markets.

Because of such circumstances, the Ministry of Finance Insurance Department has advised life and casualty insurers planning to establish subsidiaries, "Participation in each other's sectors must result in industry growth through the promotion of competition." However, in order to avoid a situation which undermines the objective of the pending change, the Ministry of Finance itself should be keenly aware that it must take the initiative in a bold move toward deregulation. If circumstances remain unchanged, the pending change will result in nothing other than a murky future outlook.

Japan: Trade Minister Unsure of Talks With U.S. at OECD Meeting

OW1405033996 Tokyo KYODO in English
0130 GMT 14 May 96

[FBIS Transcribed Text] Tokyo, May 14 KYODO — Trade minister Shumpei Tsukahara said Tuesday [14

May) it is uncertain whether he can meet with top U.S. trade negotiator Charlene Barshefsky at a ministerial meeting in Paris next week of the Organization for Economic Cooperation and Development (OECD).

International Trade and Industry Minister Tsukahara told a news conference that both he and acting U.S. Trade Representative Barshefsky might not be able to attend the meeting which is scheduled to take place Tuesday and Wednesday.

"I have to win parliamentary approval (to attend the meeting), while she seems to have her own schedule," Tsukahara said.

Even if he can meet with Barshefsky in Paris, Tsukahara said, "I will repeat the same story" on the contentious Japan-U.S. semiconductor accord because there has been no development on the issue since they met at the quadrilateral meeting in Kobe, western Japan, in April.

Japan is rejecting a U.S. call for renewing the 1991 bilateral microchip agreement, saying the pact has fulfilled its objectives, given the growing presence of foreign chips in Japan.

It argues instead for monitoring the ongoing negotiations between the Japanese and U.S. semiconductor industries to forge a partnership framework to replace the government-level accord.

Meanwhile, Tsukahara said he hopes the parliament will allow him to attend the OECD meeting, which will deal with employment and growth, multilateral trade systems and the future of the 27-nation OECD — issues closely related to the trade ministry.

Japan: MITI Official Comments on 1996 Unfair Trade Report

OW1405115696 (Internet) Keidanren WWW
in Japanese 9 May 96

[Keidanren report on an interview with Toshiya Tsugami, head of the Fair Trade Promotion Office, International Trade Policy Bureau of the Ministry of International Trade and Industry on 22 April; place not given; from "Keidanren Clip No. 32" issued on 9 May 1996]

[FBIS Translated Text] The Industrial Structure Council, an advisory body to the Minister of International Trade and Industry, submitted the 1996 Report on WTO Consistency of Trade Policies by Major Trading Partners to the minister in late March. Keidanren (Japan Federation of Economic Organizations) invited Toshiya Tsugami — head of the Fair Trade Promotion Office, International Trade Policy Bureau of the Ministry of International Trade and Industry (MITI), who served as the secretary in compiling the report — to talk about it.

1. Gist of Tsugami's Remarks

1. The 1996 Report on WTO Consistency of Trade Policies by Major Trading Partners is the fifth in an annual series that assesses the trade policies of Japan's trading partners on the basis of the WTO (World Trade Organization) Agreements and other international rules. Since the report is based on rules, its evaluation is not subjective like: "The closed nature of the market is the cause of poor sales."

2. The highlights of this year's report are: (1) the Japan-U.S. Semiconductor Arrangement, (2) China's accession to the WTO, and (3) the Japan-U.S. automobile dispute.

While the second Semiconductor Arrangement expires at the end of July, the U.S. Government is seeking its extension. The report does not support the extension of the Arrangement because: (1) promising a result leads to the abandonment of free economy, and it is problematic in terms of economic rationality and the best utilization of resources; and (2) extending the Arrangement which is based on "capital affiliation (a position that identifies the nationality of semiconductors by their manufacturers' capital affiliation, not by their country of origin)" has a problem because a major change has taken place in the structure of the semiconductor industry since the first Arrangement to date.

3. The Japanese Government has been supporting China's accession to the WTO from the viewpoint of having China become part of the world trading system.

The reason why the report takes up last year's auto dispute is because (1) leaving it on record has significance, and (2) it is hoped that the case will serve as a reference to other countries negotiating with the United States.

4. With regard to the European Union, the issue of a change in the tariff classification of CD-ROM drives, and the issue of CE [expansion unknown] marking are reviewed.

5. In the appendix, other countries' requests for Japan's deregulation are listed by sector.

6. It is often said, "the global trade system is a pendulum that swings between free trade and protectionism." The pendulum was swinging toward free trade when the Uruguay Round negotiations were concluded. However, I fear that it is now moving toward protectionism, as illustrated by regulations on the auto industry in developing countries.

7. In the future, the focus of trade issues is expected to shift from the water's edge measures such as tariff and quantitative regulations to domestic regulations.

2. Question and Answer

Q: The United States' Report on Foreign Trade Barriers has attracted a lot of media coverage. What kind of public relations activities has MITI done to publicize its report?

Tsugami: Through press releases, Internet, and government establishments abroad, I think our report is well known in trade circles.

Japan: Government Begins Review of Far East Emergency

OW1405061396 Tokyo KYODO in English
0528 GMT 14 May 96

[By Mie Kawashima]

[FBIS Transcribed Text] Tokyo, May 14 KYODO - Japan began studying this week how it could improve its handling of possible Far East emergencies — such as evacuating overseas Japanese, accepting refugees from abroad, guarding its coasts and supporting U.S. forces.

Prime Minister Ryutaro Hashimoto says the discussions should cover "concrete" assumptions and should not become involved with "theological" arguments, a reference to an ideological debate on what actions Japan is permitted to take for its own defense.

Hashimoto has repeatedly stressed Japan will study what it can do within the framework of its war-renouncing constitution, avoiding any change in the government's position that exercise of the right of collective self-defense is unconstitutional.

The premier's reminders stem from his hope to ensure better cooperation with the united states for their bilateral security alliance, without provoking opponents at home or neighboring Asian countries which were invaded by Japan before and during World War II, concerning Tokyo's reinforced defense role.

As he met his coalition partners on the start of the study Monday [13 May], Hashimoto said, "this is what I promised the U.S.," referring to an accord he made with president Bill Clinton in their April 17 meeting to start reviewing the 1978 guidelines for Japan-U.S. defense cooperation to "build upon the close working relationship."

Since Hashimoto took office in January this year, he has repeatedly stressed that Japan-U.S. relations represent Tokyo's most important ties, calling the bilateral security tie-up the "pivot" of their relationship.

Hashimoto, on the other hand, said in a press conference Friday, "we should not forget that Japan's use of the

right of collective self-defense is what Asian countries do not want."

Officials from the Foreign Ministry, the Defense Agency and the Cabinet Security Affairs Office plus Deputy Chief Cabinet Secretary Teijiro Furukawa met Friday to begin "case studies" of Far East emergencies.

The study aims to "concretely" research in advance how Japan should deal with crises or apprehensions it might face, Furukawa told reporters.

Japan hopes that the promised review of the guidelines will be almost completed by this fall, when foreign and defense ministers of Japan and the U.S. are to meet.

The government apparently includes a possible conflict on the Korean Peninsula or the collapse of the North Korean regime as well as heightened tensions between China and Taiwan among the possible Far East contingencies it wants to be well prepared for.

But South Korean Unification Minister Kwon O Kie voiced concern late last month when he met a mission from Japan's three ruling parties — Hashimoto's Liberal Democratic Party (LDP), the Social Democratic Party (SDP) and New Party Sakigake.

Sakigake policy panel chief Kisaburo Tokai quoted Kwon as saying that in the event of U.S. forces stationed in Japan being deployed to fight on the Korean peninsula, he does not want Japanese troops to fight alongside the U.S. military.

Chinese ambassador to Japan Xu Dunxin told LDP policy affairs research council chairman Taku Yamasaki on May 1 that he supports the continued Japan-U.S. security ties but is concerned that Japan might play a military role overseas, the LDP official said.

Yamasaki explained to Xu that Japan would not invoke the right of collective self-defense to resort to any overseas military acts.

Taiwan, seen by China as a renegade province, and the theoretical target of Chinese missile launching practice and other military exercises in March, on the contrary, welcomes reinforced Japan-U.S. defense arrangements designed to respond to Far East emergencies.

Japan's government takes the view that Japan possesses the basic right of collective self-defense, under which Tokyo could jointly take defensive acts when an ally is attacked, but also regards use of the right as impermissible under the constitution because it would exceed the recognized standard of a minimum and necessary defense.

However, the LDP's research commission on security in March called for a review of the current interpretation

of the constitution, while Ichiro Ozawa, president of the main opposition Shinshinto (New Frontier Party), has asserted that collective self-defense is constitutional.

The closeness of their opinions on security has touched off speculation concerning a possible alliance of some forces in the key ruling and opposition parties, and a consequent reorganization of the political status quo, as opinions in the three ruling parties differ on the 1978 defense cooperation guideline review.

The security and cabinet panels of the SDP, previously a decades-long political rival of the LDP on security issues, jointly set forth a policy position in late April that stated a review of the guidelines can be achieved under existing laws and should not lead to any new legislation.

The LDP and Sakigake are positive about the development of new legislation to prepare for possible emergencies. Sakigake chief secretary Yukio Hatoyama has stated that even legislation which would curb individual rights during times of emergency should be considered in future.

Japan: Government Wants To Shorten Heliport Runway U.S. Demands

*OW1405005496 Tokyo ASAHI SHIMBUN
in Japanese 11 May 96 Morning Edition p 1*

[FBIS Translated Text] In connection with the construction of the heliport and runway demanded by the United States, and in line with the return of the Marine Corps Air Station [MCAS] Futenma in Okinawa Prefecture, the government admitted on 10 May that the building of the runway together with the heliport is indispensable for smooth base operations. However, it decided to sound out the U.S. side on the possibility of significantly reducing the size of the facility, for instance, by reducing the length of the runway to about two-thirds of the original plan.

This takes into consideration the fact that the U.S. side has asked for a very long runway, to which the affected local governments have expressed strong objections, and is aimed at facilitating the relocation of the MCAS Futenma base. The Defense Agency [DA] and other government offices will study this and make a formal proposal to the Japan-U.S. Special Action Committee on Okinawa [SACO].

In the SACO interim report, Japan and the United States agreed to build a new heliport in Okinawa as a replacement for the Futenma Air Station. Furthermore, the U.S. side has also unofficially requested the construction of a 1,500-meter runway, which is considered normal for "military heliports" in the United States.

However, the Japanese Government has taken the attitude of "not conceding to everything the United States demands" (according to a senior government official), and has begun an independent estimate of the required size of the heliport. Right now, it has concluded that the runway size required by the U.S. Marine Corps's liaison aircraft, transport planes, and helicopters is under 1,000 meters, and that it is possible to reduce the size of the requested runway.

At present, the aircraft wing of the Third Marine Expeditionary Force, which makes up the main body of U.S. forces in Okinawa, is stationed at Futenma. It has a 2,800-meter runway, and around 70 helicopters. The DA is studying the aviation requirements of fixed-wing aircraft, such as liaison and supply planes, and is referring to the conditions at the Self-Defense Forces' helicopter units' bases in Kisarazu (Chiba Prefecture; has a 1,830-meter runway) and Tachikawa (Tokyo; 900-meter runway), taking into account the capacity of helicopters and durability of the runway.

The schedule for the return of MCAS Futenma is said to be "five to seven years," but Director General Masuo Morodomi of the Defense Facilities Administration Agency laments that "there is an enormous amount of work to be done, including an environmental assessment and coordination with the local communities. It will be a difficult process."

For this reason, the government is doing its best to shorten the runway, and is considering other possible relocation sites aside from the "Central Training Area" in Okinawa, which encompasses the Kadena Ammunition Depot (occupying an area stretching over Yomitan Village, Onna Village and Okinawa City), Camp Schwab (in Nago City), and Camp Hansen (in Kin Town). It also wants to consider the sentiments of the residents in the proposed relocation sites.

Japan: Okinawa Considers Options Pending Court Ruling on Leases

*OW1405055396 Naha RYUKYU SHIMPO
in Japanese 12 May 96 Morning Edition p 1*

[FBIS Translated Text] The Okinawa prefectural office is considering compliance with the central government's request for Governor Masahide Ota to issue a notification on forced use of land for the U.S. military. This procedure is needed for the renewal of 3,000 leases that expire in May, 1997, if the prefectural government loses a Supreme Court suit over the proxy signing of documents needed to force unwilling landowners to continue to lease their land to the U.S. Forces. This was disclosed by a top prefectural government official on 11 May. The prevailing view among senior prefectural government

officials is "the prefecture will need to carefully discuss the matter if the highest judicial body makes a decision in favor of the central government." Governor Ota has so far remained noncommittal about issuing the notification. However, depending on the Supreme Court's ruling, which is expected sometime between late May and June, he will be urged to make an important decision on whether to accept Tokyo's request for issuing the notification.

A top prefectural government official said: "If the prefectural office loses the lawsuit before the Supreme Court, as an administrative body in a constitutional state, it should say 'yes' to the ruling," indicating that it would be difficult for the prefectural office to reject the highest judicial body's decision. He noted, however: "There is no reason for the prefectural government to change its stand" if it wins the lawsuit, or if the case is sent back to the high court. Another top prefectural government official said: "If the prefecture loses, it will be very difficult to say that the prefectural office can refuse the request."

On 11 May, Yomitan Village Mayor Tokushin Yamauchi said he would refuse the central government's request to notify local residents of forced rental of a plot of land inside the Sobe Communications Facility. Because Yamauchi has refused, Governor Ota will be asked, possibly next weekend, by the Naha Defense Facilities Administration Bureau to do it in place of the mayor. The prefectural office will be busy next week discussing how it should deal with the demand.

Japan: Okinawa Landowner Enters U.S. Base Land With Family

OW1405084596 Tokyo KYODO in English
0759 GMT 14 May 96

[FBIS Transcribed Text] Naha, Japan, May 14 KYODO — The owner of a plot of land in Okinawa occupied by part of a U.S. military facility entered the plot Tuesday [14 May] with his family and friends in the first of two visits approved by the central government.

A total of 30 people, including landowner Shoichi Chibana, entered the U.S. Navy's Sobe Communications Facility in Japan's southernmost island prefecture of Okinawa through the front gate to get to the 236-square-meter plot.

Members of the group played traditional Okinawan stringed instruments to celebrate gaining entry to the land, for which the lease expired at the end of March.

In court-mediated negotiations at the Naha District Court, the central government had agreed to allow up

to 30 people, including Chibana, to enter the plot twice by the end of June.

Chibana, 48, a local grocer, told reporters earlier in the day that he is happy he can finally enter his property "openly and through the front."

Chibana filed a lawsuit with the district court in April demanding access to and return of his land after the lease expired. He later dropped the latter request to focus on the access case.

Although the forced lease has expired, the government continues to rent the land to U.S. Forces, without any clear legal basis, saying Japan has an obligation to provide land to U.S. Forces under bilateral security arrangements.

Japan: Local Mayor To Renew Leases on Military-Occupied Land

OW1305143596 Naha RYUKYU SHIMPO
in Japanese 12 May 96 Morning Edition p 2

[FBIS Translated Text] Kitanakagusuku — On 10 May, Kitanakagusuku Village Mayor Kaoru Kyan decided to renew leases on village-owned land inside Camp Zukeran. The village has suspended extending the leases on the land, which includes village districts-owned plots, since 31 March. Explaining his decision, the mayor said: "Residents have called for renewing the leases, claiming the loss of rental income will affect village districts' finances. Also, progress was made in base issues while we postponed renewing the lease contracts." The village plans to send a written consent for the renewal to the Naha Defense Facilities Administration Bureau as early as the beginning of next week.

On 9 May, Mayor Kyan held talks with representatives of village districts. At the meeting, "many called for extending the leases, claiming that further postponement of the renewal would affect districts' revenues," said the mayor.

Kyan said: "I do not want to postpone renewing the contracts for nothing. While I suspended the renewal, progress was made in base issues. A direction was also shown for the solution to base issues."

The mayor stressed: "The recent Japan-U.S. agreement on the reduction of U.S. military presence in Okinawa is progress in base issues. But my impression is that the accord is a step forward but two steps backwards. I will renew the leases. But I will not change my antibase stand."

Japan: Article Views Japan-U.S. Security Declaration

OW1405084796 (Internet) Shima Media Network
WWW in English 13 May 96

[Article by Motofumi Asai, professor at Meiji Gakuin University: "Japan-U.S. Joint Declaration on Security Alliance Should Be Scrapped"; from on-line weekly magazine TOKYO KALEIDOSCOPE No. 84]

[FBIS Transcribed Text] The purpose of President Bill Clinton's visit to Japan was to reach agreement based on this theme: "After the Cold War between the United States and Soviet Union, how to configure the Japan-U.S. security system to the strategic advantage of the United States, especially how to increase Japan's military role in accordance with U.S. requests." The basic policy of the Hashimoto administration was to totally accept this request, known as the "Nye Initiative." The joint declaration from the summit revealed an agreement between Japan and the United States that was consistent with this theme.

The Purpose of the Joint Declaration was to Overcome Article 9 of the Constitution

The basic request of the United States was to release the Japan-U.S. Security Treaty from the principle of only being used for Japan's defense in order to immediately cope with an emergency situation in the Asia-Pacific Region (APR). Of course, it is well known that the clause in the security treaty related to the Far East and provision for the U.S. military to respond to an emergency in the Far East was incorporated. However, the Japanese Government originally took the attitude that its exercise of the right to collective defense could not be admitted based on Article 9 of the Constitution, which makes collective defense unconstitutional. Therefore, the use of military bases in Japan by U.S. armed forces for military operations not directly related to Japan's self defense was subject to prior consultation, and Japan did not provide logistical support for the U.S. military.

However, U.S. military strategy after the Cold War rests on the premise that unstablizing factors in the region pose major threats, and the main purpose of the strategy is to immediately cope with this. For disputes and conflicts occurring in the APR, the U.S. Government intends to respond by securing Japan's total cooperation. In order to do so, the Japanese Government's conventional interpretation of the Constitution regarding Article 9 had to be overcome. This means "if the interpretation cannot be changed, change Article 9."

The joint declaration made clear that the strategy for overcoming the limited interpretation of the Constitution was to revise the 1978 bilateral defense cooperation

guidelines (the important change was from the defense of Japan to an emergency in the APR) and signing the Agreement Between the Government of Japan and the Government of the U.S. Concerning Reciprocal Provision of Logistical Support, Supplies and Services Between the Self-Defense Forces of Japan and the Armed Forces of the U.S. (ACSA). The Hashimoto administration stubbornly insisted that it was possible to meet the U.S. request within the constraints of the Constitution. The essential truth, however, is that Japan tried to destroy the Constitution which is the basis of constitutional democracy, supposedly the principle most emphasized by the United States, to comply with the U.S. request.

However, there is no guarantee that the intention of the Hashimoto administration to adjust the interpretation of the Constitution will succeed. It is said the United States is irritated that the Hashimoto administration did not step over into the right of collective self defense. Does this mean that the United States does not respect Japan's constitutional democracy and negotiates for its own political benefits and calculations? If the basis of the U.S. Constitution were to be destroyed by the request of a foreign country, U.S. citizens would be outraged. But the United States has pushed that kind of outrageous request on Japan.

U.S. Military Strategy is Causing Intensified Conflicts in the APR

Even worse, I wonder whether a U.S. strategy burdened with this kind of high-handedness will really bring benefits to Japan and the United States. We cannot understand the essence of the intent of the joint declaration without looking at the Korean peninsula and the Taiwan Strait.

Regarding the "nuclear doubt" in North Korea from 1993 to 1994, the Clinton administration seriously reviewed with Japan and South Korea the possibility of military action against North Korea. During the process, it was fully recognized that the present Japan-U.S. Security Treaty cannot secure free military operations of the United States from Japan and Japan's logistical support is also not possible. The supreme theme of U.S. strategy since then has been to overcome these limitations. This problem appeared again during recent military tensions when China used military exercises to try to influence the election of the Taiwan president, and the 7th Fleet sailed.

What will happen if the objective indicated by the joint declaration should be realized? When the United States takes military action against North Korea and/or China, the entire Japanese territory will be the bases for

their military actions, including not only military U.S. bases in Japan and Japan's Self-Defense Forces, but also major civil airports and harbors. The U.S. military will concentrate on its attack while receiving total logistical support from Japan. Japan will completely assist the U.S. military attack on North Korea and China. Japan will play the role of an "unsinkable U.S. aircraft carrier."

The peace and prosperity of Japan and the United States cannot exist without friendly relations with Asian countries. It is obvious, however, that if Japan is incorporated into America's world military strategy, it will be impossible for Japan to avoid driving down a road that ends with military conflict. It is an eerie warning that China and South Korea severely criticized the joint declaration.

The U.S. Government may think that if the Sino-Japan and Japan-South (North) Korea [as received] relations are consumed in conflict, it will be easier to implement their Asian policies. However, how would a militarily unstable APR with Japan and China or Japan and South (North) Korea in conflict benefit the United States? It is an ironic reality that the American people turn cautious about Japan as it increases its military power with U.S. support.

Two Policy Changes are Necessary for the United States

For the United States, the world's only super power but facing many domestic issues, it is necessary to change policies on two points right now.

First of all, the idea of attaching too much importance to military power should be fundamentally changed. Only this will enable a fundamental revival of the U.S. economy.

Secondly, the U.S. policy toward Japan which has promoted the risk of Japan's military expansion should be amended. Japan did not try to liquidate its responsibility for the war of invasion. This is obvious even for Americans who are angry at the Japanese government's attitude of not admitting fault at Pearl Harbor.

Based on these policy changes, the United States should not hurry to materialize the Japan-U.S. joint declaration on a security alliance but should scrap it. It is necessary to remove the fear of Asian countries now apprehensive of Japan's expansion in military power and to change the basis of Japan-U.S. relations to one based on real mutual trust among the countries in the APR.

Japan: Nakanishi Discusses U.S.-Japan Security
962B0077A Tokyo USHIO in Japanese 1 May 96
pp 86-95

[Article by Professor Terumasa Nakanishi of Kyoto University: "Changing Nature of U.S.-Japan Security; Choosing 'Independence Through Cooperation'"]

[FBIS Translated Text]

Closing Curtain on 'Postwar Security'; Toward a Stage of Review Under New U.S.-Japan Relations

Three Complex Currents in Asia Brings Sense of Inertia in U.S.-Japan Security

President Clinton's April trip to Japan will provide an opportunity for a 'redefinition' of the U.S.-Japan security treaty in the form of a joint statement, and it will be necessary for future U.S.-Japan relations to be reshaped on a dimension which supersedes the outdated bilateral alliance (postwar treaty) of the past.

The present situation surrounding U.S.-Japan mutual security is extremely complex. All of the following must be taken into consideration: the situation in East Asia; the general trend in Asia, including China-Taiwan tension, directional changes in China which lie in the background, and the Korean Peninsula; the link to the U.S. presidential election; the shifts in economic affairs such as the renewal of the semiconductor agreement; the post-Cold War global paradigms such as national interests including economic interests; and the trend of U.S. involvement in foreign affairs. A necessary vision must delineate the future image of the security alliance and cope with extremely diverse issues on broader and longer-range bases both geographically and spatially. It is also necessary to engage more seriously than ever issues concerning the level of respective national sentiments in Japan and the United States, such as 'dislike-America' sentiment and anti-Japanese emotion.

The direction of the post-Cold War world has remained vague during the past several years and has cast a shadow of ambiguity in terms of U.S.-Japan security relations. This stems partly from a sense of drift and partly from a residual feeling that is unable to forget the solid security structure during the Cold War. For example, the 'threat of Islam' is particularly emphasized in Europe and indicates a propensity to seek out some other threat that will displace that of the Soviet Union and a feeling that security cannot be guaranteed without coping with a threat.

A threat is declared to exist, but its whereabouts cannot be ascertained. Even if its 'identity' is pointed out, it is either trivial or remote and lacks persuasiveness.

Consequently, if a debate arises which casts doubt on the necessity of U.S. bases and the U.S.-Japan security treaty, public opinion is instantly swayed by it. The outburst of national sentiment over the Okinawa base issue and the rape of a schoolgirl by U.S. soldiers is not unrelated to such a sense of intransparency. Meanwhile, China's military maneuvers off Taiwan's shores causes the pendulum to swing back sharply in the opposite direction.

This indicates that we are totally incapable of perceiving the direction in which the world is moving today. It is also influenced by the fact that the strategic atmosphere in East Asia surrounding Japan is in a tangled transitional stage. Asia today is engulfed by three major currents, which render it difficult to judge clearly the situation.

The first current is the general process of liquidating the Cold War in Asia. Unlike Europe, circumstances which could be described as a 'Cold War legacy' or 'Cold War residue' continue to exist.

First, there is tension on the Korean Peninsula. Due to its food problem and continuing defections, North Korea displays terminal symptoms in a sense. However, the question is what follows in the future.

The present shape of China-Taiwan relations emerged with the Korean War, and the fact that China continues its one-party dictatorship may be regarded as a 'Cold War residue' in a broad sense. This will probably be settled sooner or later, but the process will undeniably be an unclear one.

The second current is the advancement of regional co-operation in the form of APEC [Asia-Pacific Economic Cooperation] and the ASEAN Regional Forum [ARF]. At the APEC meeting in Osaka, talks were held on Asia-Pacific economic cooperation and included fiery exchanges between Chinese and Taiwanese delegates over the missile tests held last summer. There also were moves at the ARF conference in Brunei for deliberations between China and the ASEAN nations on a framework of settlement of the Spratly Islands issue. Judging these efforts toward regional cooperation, the fostering of trust is gradually being seen.

If so, is tension on the rise in Asia or is it steadily ebbing? The image tends to become blurred. At this point the three currents overlap each other. In other words, the relations between the sovereign nations of Asia have become intertwined and international relations interact under a certain kind of balance of power.

As for U.S.-North Korea relations, like the current Taiwan Straits issue, only two or three years ago two

U.S. aircraft carriers entered the Japan Sea and the Yellow Sea due to suspicion of nuclear development by North Korea, and the media made much ado about it as an act on the brink of war. Today, however, without clearing the suspicion, the United States has extended energy support to North Korea and is moving to provide massive aid to help alleviate North Korea's food crisis, which has been ongoing since last year. This is all despite South Korean opposition. There was even a recent move to discontinue economic sanctions against North Korea, which have been in effect since the Korean War. U.S. policy vis-a-vis the Korean Peninsula appears to be gradually taking on an aspect of a balance of power between China, Japan, and Russia with reunification (of the peninsula) as the future goal.

The intermingling and highly fluctuating functions of the aforementioned three currents are causing the present complicated situation in Asia. That is probably why the future 'image' of U.S.-Japan security relations — its optimum form — cannot be delineated and the sense of drift cannot be eradicated.

"Plan To Return Bases" in Okinawa Contrary to "Ney Report"

Let us consider the issue of the bases in Okinawa as a concrete example.

Attention is focused on how the issue will be settled at the upcoming U.S.-Japan summit meeting. In effect, the question is whether the framework of the "Ney Report" (a report on East Asia strategy), which recommends maintaining 100,000 U.S. troops in East Asia including 47,000 troops in Japan for the future 10 to 20 years, should be amended. From the standpoint of Okinawa (Prefecture), a breakthrough is indispensable for the return of the bases there.

My view regarding the "Ney Report" is as follows: It was definitely compiled in haste with the view to symptomatically treating the sense of inertia, and undeniably lacks sufficient debate from a long-range and multilateral viewpoint. There is particularly insufficient debate within Japan. There is no debate on how it should relate to Japan's future defense policy, or how Japan should view relations with China and Taiwan, or the Korean Peninsula issue, or how to relate to the multinational regional security that is evolving in the Asia-Pacific region.

Amid such circumstances and despite the display of figures indicating 100,000 troops in East Asia, including 47,000 troops in Japan for the next 20 years, there is no way the politicians can promise such a distant future. In a clear cut manner of speaking, it could be interpreted

as a psychological statement: "We will not withdraw for the time being."

Opposing the "Ney Report" is Okinawa Prefecture's "plan for the return of the bases." The Okinawa plan includes a demand for the return of Futenma Air Field and the Naha naval base in the year 2001, Camp Hansen in 2010, and Kadena Airfield in 2015. However, Camp Hansen is the key U.S. Marine base and the core of the U.S. forces in Japan in terms of troop strength while Kadena Air Field is the heart of the U.S. forces' presence in Okinawa. Okinawa demands a step-by-step and complete withdrawal of the troops from Okinawa, and therefore stands in direct opposition to the "Ney Report."

I also object to the "plan for return of the bases." The reason is ironically that, like the "Ney Report," it is premised on the notion that U.S.-Japan security relations will continue under the status quo until the year 2010 or 2015. Will it indeed? At the very least, the demands by Okinawa Prefecture should be considered a kind of "distortion."

The reason for my view is that, in looking forward to the year 2010, the United States will probably review its "forward bases strategy" on a global scale sometime five to 10 years hence.

It will probably be based on domestic demands in the United States concerning economic issues — particularly the fiscal deficit. In Washington today, the deficit settlement program by the year 2010 is being debated between the Congress and the White House. However, the plan itself is based on an extremely high standard of a nominal 5.1 percent economic growth in the next five years and is premised on the prospect of an excessively low interest rate and an unprecedented rise in tax revenues. Consequently, there is no guarantee of deficit erasure despite the program. Rather, how to cope with future fiscal spending is likely to become a more urgent issue.

I see the fiscal deficit problem becoming a major sticking point in the presidential election in 2000. It will be impossible to cut the welfare budget, which is directly related to the people's livelihood and always influences the direction of the elections. Ultimately, there will be no recourse except to divert defense spending, which takes up more than 20 percent of fiscal spending. The recent Buchanan phenomenon is an indication.

The "Ney Report" goes on to say regarding the economy that stationing U.S. troops in East Asia helps stabilize the Asian economy, with the United States sharing the benefits, but will it turn out as expected? If their entry

into Asia proves to be difficult, the United States will reconsider its presence in Asia.

Another possibility for a review of its "forward bases strategy" is indicated by the reorganization of its military structure in January this year. The 7th Fleet, which was deployed west of the Indian Ocean, was placed under the continuing command of the Mideast Force. The 7th Fleet is thus given the right of command in case of a war or emergency situation, while the Mideast Force, which had a headquarters only in peacetime, has become independent of the Pacific Force in Hawaii and is provided a working fleet on a regular basis. In one aspect, it can be seen as an expansion of the U.S.-Japan security alliance into the Mideast, but it means simultaneously that the United States has begun to consider the Mideast — instead of Asia — as its main frontline in the 21st century.

Although the point has not drawn much attention, I believe it is very important. A look at the U.S. Department of Energy's "Outlook for 2010," which was announced in January this year, shows that the United States is looking ahead to skyrocketing prices and a tight supply of crude oil in the 21st century. Moreover, the United States will be able to encompass the entire globe by a full-scale advance into the Middle East on the opposite side of the earth. The United States could also contain China, which depends increasingly on Middle East oil, without imperiling the sense of security among its allies in Asia and Europe, or without losing its stabilizing functions. The United States can, moreover, gradually decrease its military spending for frontline involvement in Europe and Asia.

Europe is presently holding a government-to-government conference on the Maastricht Treaty. Despite some twists and turns, a uniquely European defense and security system will inevitably be established as the European Union system is consolidated. In such a case, a considerably drastic pullout of the 100,000 U.S. troops in Europe will begin.

In considering the Okinawa bases with the above circumstances as the backdrop, it will be difficult to think that Camp Hansen will remain at its present level in the year 2010. In the first place, the 100,000 troops in East Asia mentioned in the "Ney Report" is a figure that emerged parallel with the 100,000 troops in Europe from a highly political standpoint rather than on the basis of a variety of estimates. The 47,000 troops in Japan also represent the maximum impromptu count of the forces stationed at the time of the Ney Report — i.e. as of February 1995. It would be more appropriate to view this figure as an attempt by the "Ney Report" to secure "a framework for the time being" as a policymaker.

China-Taiwan Relations Clarified by Analyzing China's Internal Affairs and Diplomatic Strategy

If so, the question is, what is the meaning of the U.S.-Japan security pact? In considering instability factors in Japan's environs such as the Korean Peninsula and China-Taiwan relations, the maintenance of the security pact is indispensable for the time being at least. However, the important thing in considering the future image of the security treaty is how to visualize the future course of the two intransparent factors. Although the present situation may be unclear to a certain extent, it is urgently necessary in terms of the basic issue of national security to search for the most feasible outlook. This outlook should be gradually revised from a broad perspective and linked to a long-range concept. By doing so, the present situation will become increasingly clear and a debate of Japan's options will become possible.

U.S. Defense Secretary William Perry, who visited South Korea in November last year, stated that "the peak of the North Korean problem focuses on the next two or three years." I also see North Korea's present situation as not lasting very long.

Rather, the key issue is how China will address the direction of the U.S. troops in South Korea when the reunification process of the Korean Peninsula begins. During the reunification of Germany, (the then) President Gorbachev recognized unified Germany's position within NATO. Consequently, today not only Poland, Hungary, and Czechoslovakia [as published], but also the three Baltic states express their desire to join NATO. The question is whether China will recognize its East Asian version — i.e. the advance by U.S. forces to the Yalu River.

Another question is whether domestic opinion in the United States, which demands cutting the fiscal deficit, will allow U.S. troops to be stationed in the Korean Peninsula after tension there has eased.

In such a case, it is highly possible that an entirely new situation of "a U.S.-Japan security alliance without U.S. forces in South Korea" will emerge. It was the Korean War that directly sparked the creation of the U.S.-Japan security pact. For 45 years since then, the large U.S. forces have remained on the Korean Peninsula, and their presence has been the pillar of the so-called "postwar security alliance" between the United States and Japan. A "U.S.-Japan security alliance without U.S. troops in South Korea" represents a kind of identity crisis for the postwar U.S.-Japan alliance.

Next is China-Taiwan relations. China's missile tests certainly constitute a threat with force and must be

criticized. However, the only recourse for the time being is the maintenance of the status quo. In considering the broad outlook of China-Taiwan relations, a more important question is how to view China's near future.

First, when the present course of China's social change and the accompanying transformation of the people's awareness are taken into account, the present dictatorship system cannot conceivably last long after the end of the Cold War. In the short term, today's "policy of reform and openness" is a decisive lifeline for China, and it cannot afford to backtrack. If so, it is clear that even the military, for example, cannot act in a manner that would cause international society to manifest repulsion against it. Repression on the level of the Tiananmen incident is becoming difficult today. In other words, even without a change in the system, the awareness of the society per se has changed drastically.

Then, how does one explain the present hard line policy vis-a-vis Taiwan? It is largely due to a temporary rise in influence of the military during the post-Deng transitional period and a matter of principle hinging on an alienable question of sovereignty. However, another point which deserves attention is the link to diplomacy vis-a-vis the United States based on China's unique calculation.

U.S.-China relations are currently quite sticky over the human rights issue and the export of arms to Pakistan and Iran. The present get-tough tactics against Taiwan are conceivably based on similar aims of China's diplomacy. In other words, if China hopes to withstand pressure from the United States, which fears China's future development as an affluent and military superpower and may lean toward gradual "containment," and seeks economic growth on the one hand while maintaining its present political system, it has no alternative except to draw the United States into a forum of dialogue under conditions advantageous to itself by displaying a tough stance, and to improve relations with the United States by making certain concessions. The fact that Foreign Minister Qian Qichen proposed a U.S.-China foreign ministerial conference in April while declaring that it will resolutely carry out maneuvers in the Taiwan Straits is indicative of China's intentions.

Some quarters fear a China-Taiwan war or a U.S.-China war, but China's present military strength is no match for the United States, and its "direction of reform and liberalization" is possible only under peaceful international relations. It is inconceivable that China will adopt a consistently tough military posture except superficially.

The most basic problem in contemplating China is that it is against common sense to believe that the present dictatorship will continue for another decade. It is easy

to see the contradiction in the notion that it can continue its high economic growth while remaining under a communist dictatorship regime and also become a modern military superpower. A considerably widespread upheaval will inevitably arise in the interim. Future economic growth will be impossible without a certain degree of democratization and, if a military superpower is aspired to with China's present strength, the people's economy will suffer as the former Soviet Union's example shows.

There are quite clear signs from the recent personnel moves surrounding Jiang Zemin that, following the post-Deng transitional period, China is moving toward re-examining the Tiananmen incident. It will move from the so-called Southeast Asia-style of development dictatorship to a "gradual democratization" called political reform. Or, it could possibly discard its framework of the communist party system at either point, resulting in a certain degree of political chaos. However, a major confusion attending the change is difficult to imagine. The Japanese tend to recall the prewar rivalry among the military warlords and the Cultural Revolution. However, such examples are for many Chinese, who have begun to enjoy the benefits of economic growth, what World War II meant to the Japanese, and are national lessons which must never be repeated. While the theory of China as a threat stems partly from the impression of "a nation where one never knows what may happen," it is perhaps the Japanese who entertain the most pessimistic outlook in the world regarding China's future.

U.S.-Japan Relations Respond to Change in U.S. "Balancer" Strategy

It is important to consider how the U.S. posture will change when China begins its transformation. The possible gradual reduction of the "forward deployment strategy" in Asia as the result of a strategic review on a global scale has already been discussed. However, there will perhaps be a steadily growing debate on not only fiscal problems, but also a change to a "balancer" strategy. This strategy has recently been attracting attention in the United States. The strategy calls for balancing by taking a step backward, rather than by stepping up front as the leader in settling all global problems.

For sure, the present "saber-rattling" between the United States and China will continue until the return of Hong Kong. The United States, which is gradually moving in that direction, should find it necessary to avoid entering into a decisively confrontational relationship with China at all costs. In particular, it is compatible with U.S. national interest to get along as a "pseudo-partner," staying neither too close nor too far from

China, which shows signs of democratization and is constantly burdened with internal instability factors with its goals of affluence and military power destined to be limited. Thus, instead of placing priority only on bilateral alliances, the United States will inevitably make a major policy change in the direction of a double standard of multinational security and bilateral security in accordance with a change toward a balancer strategy.

Relative to the U.S.-Japan security treaty, it means virtually no U.S. troops to be stationed in South Korea, a decrease in U.S. troops in Japan, and a symbolic presence of troops in Japan. It means a transformation of the joint security pact into a so-called "security alliance without bases." The coming of such a situation in 10 to 15 years can be easily hypothesized.

Notwithstanding, it does not mean a complete loss of the U.S.-Japan alliance's *raison d'être* at this juncture. Three factors were stressed by the United States concerning the effectiveness of the U.S.-Japan security pact. One, a demand for strategy vis-a-vis the Soviet Union. Two, a security alliance as a pillar for U.S. global supremacy. A third and probably most basic factor was "a cap on the bottle" theory to cope with the "Japanese threat." It surfaced with the enactment of Article 9 of the present Constitution by the United States prior to the beginning of the Cold War. The first factor disappeared with the end of the Cold War. The second factor will also diminish eventually. What about the third factor? In March last year, Ezra Vogel, then in charge of East Asia for the CIA, stated in Senate testimony that coping with Japan's threat was in the basic national interest relative to the joint security treaty.

Many Asian nations today tend to support the U.S.-Japan security treaty from a similar viewpoint. Consequently, despite any major change in the international situation centered on the Korean Peninsula, the basis for maintaining the U.S.-Japan alliance will remain for the time being. The continuation of such a basis cannot be favorable for Japan. In the first place, such an alliance will not only fail to last today in the post-Cold War era, but it will also have a serious "poisonous" effect on U.S.-Japan relations per se. Herein lies the greatest significance of the end of the Cold War.

Large-Scale Exchanges Between Youths To Form 21st Century-Style Relations

There are conceivably only the following two options for Japan to escape from the so-called "ultimate dilemma." One is to maintain the U.S.-Japan security alliance separately, but within the Asian multinational security framework — i.e. to relate it as a kind of sub-system, positioning it as a special internal relationship

without a hypothetical "enemy," in combination with other bilateral alliances such as the U.S.-South Korea and U.S.-Philippines pacts, and thus establishing a concrete means for trust between Japan. The second option, in exchange for U.S. safeguarding of Japan's sea lanes under the "nuclear umbrella," is to secure diplomatic independence on the one hand, and to open an entirely new horizon as a special partner under still closer U.S.-Japan cooperation.

For that purpose, it is indispensable for Japan to build a historical new relationship of trust based on still closer U.S.-Japan cooperation and to establish conditions to win full trust from its Asian neighbors within a solid Asian regional security system. In any case, it must be recognized that the era of secure U.S.-Japan relations based solely on an unwavering security alliance is ending. In other words, the security alliance was an inevitable option under postwar circumstances. The Cold War has ended and conditions will arise in the not-too-distant future for a possible drastic change in the strategic environment surrounding Japan. Meanwhile, in many areas other than mutual security, such as investment and trade, the United States and Japan are bound inseparably by strong mutual relations. In other words, the era of the outdated "postwar security alliance" is coming to an end. At least, despite any wavering of the alliance, it does not necessarily imply a wavering of U.S.-Japan relations per se, and a new structure of mutual relations is being demanded.

The task in the future is to strengthen U.S.-Japan relations which conversely do not necessarily depend on the security treaty. If that is possible, a stable security alliance will naturally follow. That is the inherent order of things. With a fundamental base of national interest and cooperation, it will automatically extend to mutual security relations. The posture of the past in dragging on the occupation-era relationship (postwar security treaty) is no longer valid.

A concept is required which conceptualizes postwar U.S.-Japan relations by returning to a zero base and contributes to global stability through a new form of cooperation. For example, I would like particularly point out an exchange program between the youths of the United States and Japan, which was reportedly prepared during the U.S.-Japan summit conference in November last year, but was dropped. An unprecedentedly large scale and continuing U.S.-Japan human exchange by the younger generations is an extremely important concept in forming new relations in the 21st century.

Despite any "redefinition" or strengthening of security relations, it could be instantly nullified by a wavering in mutual national sentiments that form the basis of trust.

The most important thing today in the restructuring of U.S.-Japan relations is to begin with such basics.

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Japan: Editorial Opposes Special Legislation for Enforced Land Use

OW1405091896 Tokyo ASAHI SHIMBUN
in Japanese 12 May 96 Morning Edition p 5

[Editorial: "Legislation on Land Use for U.S. Military Bases Is Unconscionable"]

[FBIS Translated Text] What the Japanese Government is considering is extremely unconscionable: It is considering measures to improve the legal system, including "special legislation" concerning enforced use of land for U.S. military bases.

The Okinawan Prefectural Expropriation Committee has disapproved the government's request for "emergency use" of a land plot used as the U.S. Sobe Communications Site. In response, the government intends to speed up the legal system improvement so that it can institute the procedures to expropriate land to be used for U.S. military bases on its own authority.

Here is what the authorities concerned have in mind:

Leases on plots at 12 other facilities belonging to about 3,000 landowners are to expire by May 1997. The government has already requested the Okinawan Prefectural Expropriation Committee to approve forced 10-year lease extensions. However, the committee is not likely to rule before the current leases expire, not only because of the enormous burden of handling all the cases, but also because of the committee's stated position of cautious deliberations.

The only way to avoid other "illegal occupation" of land, the government reasons, is to take the procedural jurisdiction under the special law governing land use by U.S. military forces in Japan — which is based on the Land Expropriation Law — out of the hands of local governments and give that authority to the central government to permit prompt administrative actions.

Just a minute, though! In connection with the Sobe Communication Site issue, the Okinawan Prefectural Expropriation Committee has repeatedly asked: "What problems will arise if use of the land actually becomes impossible?" To this question, the government has persisted in stating that "the reliability of the Japan-U.S. security alliance would be impaired."

This is hardly a convincing argument, despite the fact that the facility is cloaked in military secrecy. The Okinawa Prefectural Expropriation Committee's decision reflects precisely the opinion that the government is not fully justified in asserting that the use of the land is "urgently required."

The government does not seem to be fully aware that the issue of "illegal occupation" has resulted from the decision made by Governor Masahide Ota and also by municipal leaders of the prefecture. Nor does it seem to really understand the tremendous burden that the Okinawan people have already endured in the name of the Japan-U.S. security arrangement over the past half century since the end of World War II.

Beyond that, the government is arguing, in effect, that the procedures in Okinawa solve nothing and that the committee stands in the way of the central government's efforts. Such an argument involves the risk of creating grave exceptions to the Japanese legal system and its established administrative processes.

The duty of the expropriation committee in each prefecture throughout the country is to examine the positions of both parties in a property dispute when the right to private ownership is in conflict with the public interest, and to resolve the dispute. The authority to make such decisions has been given to the expropriation committee of the local government because the circumstances involving use of land must be understood in order to make a fair judgment.

If the central government is trying to fiddle with the legal system because the legal framework does not accord with its intentions, then the government risks a double mistake of flouting the law as a way to paper over the "illegal occupation."

The Okinawan people have been gripped by a new sense of disquiet since the Japan-U.S. summit talks in April. Simply put, they are concerned that the agreement to return 20 percent of the military bases, including Marine Corps Air Station [MCAS] Futenma, would simply result in moving bases to other parts of the prefecture and keeping other bases there permanently.

Commenting on the agreement to return Air Station Futenma, Prime Minister Ryutaro Hashimoto praised himself, saying that "utmost efforts have been made."

However, if he believes that it is now Okinawa's turn to make a concession to ensure stabilized land use by the U.S. military, he is utterly mistaken.

The very last thing that Hashimoto should do is distort the existing democratic process by establishing a new law that would do the twisting.

If the prime minister really believes that the security arrangement is the focus of Japan-U.S. relations, he should say so specifically, then try his best, as the top priority, to gain the understanding and support of the landowners involved. Moreover, he should further appeal to the people on mainland Japan for better understanding of the fact that the security arrangement has imposed an extremely unfair burden on the people of Okinawa. From this standpoint, he should seek ways to ameliorate the situation.

This clearly promises to be difficult. However, demonstrating this kind of dedication to the democratic process is the best way to build confidence in this country.

Japan: Editorial Urges Revision of Okinawa Land Use Laws

OW1405112996 Tokyo YOMIURI SHIMBUN
in Japanese 12 May 96 Morning Edition P 3

[Editorial: "Revision of Laws is Necessary for 'Land Use for Military Bases'"]

[FBIS Translated Text] The Okinawa Prefectural Land Expropriation Committee on 11 May decided to reject the central government's request for "emergency use" of a plot of land in the U.S. military's Sobe communications facility whose lease had expired. The committee said "it found absolutely no urgent necessity for the continued use" of the plot.

In consideration of the important role that this facility has played not only for Japan's security but also for the peace and safety of the Far East, the decision was nothing less than regrettable.

Because the emergency use was not permitted, the extralegal use of the land by the government will continue at least until the prefectural land expropriation committee gives a ruling on the main request for the "compulsory use" of the plot.

The government plans to continue its temporary use of the plot on the grounds of its obligations under the Japan-U.S. security treaty and the Japan-U.S. Status of Forces Agreement to provide land for U.S. forces. It is considered as an unavoidable measure in smoothly implementing the mutual security arrangements.

The Sobe communications facility, commonly called the "elephant's cage," is an installation that intercepts

military radio messages crisscrossing the Far East, thus making it able to immediately detect military moves in the region. The functions of this facility cannot be permitted to stop for a moment in order to cope with the international situation surrounding Japan, where many unstable factors remain, including the still uncertain situation on the Korean peninsula.

For the benefit of the people, at meetings of the prefectural land expropriation committee the government is required to repeatedly and clearly explain why the facility is vital to the security arrangements. The people's understanding of the temporary use of the site, which is supposed to be a supralegal measure, must be enhanced.

Now that the question of "emergency use" has abated, at least for the moment, the prefectural land expropriation committee will start deliberations on the issue of continued use of the land relating to 13 U.S. military bases or facilities in Okinawa Prefecture, including Kadena Air Base. The land owners number approximately 3,000, and all of the leases, except that of the Sobe facility, will expire in May next year.

The problem is that committee deliberations will take considerable time because there are so many plots and land owners.

Moreover, some of the mayors of the municipalities that have jurisdiction over the land have started to refuse procedures — such as publishing public notices and making them open to the public — that are indispensable to deliberations. In this case, there is no denying the possibility that deliberations could be further delayed and that the committee will be unable to hand down a ruling before the contracts expire.

If that kind of situation takes place, the Japan-U.S. security arrangements themselves could be greatly shaken. The mayors are called on to make a realistic judgment and take cool-headed actions. Also the prefectural land expropriation committee is urged to smoothly carry out its deliberations so as to have a ruling on the "compulsory use" as quickly as possible.

The government is studying legislative measures to assure the speeding up of the procedures for compulsory use of land for U.S. military facilities for fear that compulsory use may not come in time under the existing rules.

Measures under study include a revision of the special measures law concerning the land in use by U.S. forces stationed in Japan that would enable the prime minister to make a ruling if the prefectural land expropriation committee fails to do so within a certain period of time. Another measure would review the present procedure whereby a prefectural governor would sign renewal

contracts in lieu of land owners, so that the national government would be empowered to directly sign them.

It is feared that Japan as a nation may be inhibited in executing its responsibilities and duties when problems related to the nation's security policy are influenced by the moves of prefectural land expropriation committees. In this respect, the government's judgment is a matter of course. The government is urged to go ahead positively with the legislative reviews.

Japan: Ozawa on KEDO, Taipei, U.S. Ties, Domestic Issues

*OW1405084496 Tokyo KYODO in English
0652 GMT 14 May 96*

[FBIS Transcribed Text] Tokyo, May 14 KYODO — Shinshinto (New Frontier Party) leader Ichiro Ozawa said Tuesday [14 May] that Japan "must never" compromise to deal with what he called North Korea's intention to develop nuclear arms.

Ozawa, president of the main opposition party, called the October 1994 U.S.-North Korean accord, under which Pyongyang promised to abandon its nuclear program in exchange for receiving two modern-type reactors, "not necessarily a satisfactory one."

"Japan is in a position where it can play a positive role...But regrettably...The KEDO (Korean Peninsula Energy Development Organization) calls on Japan when it asks for money, but when they discuss political matters Japan is out of the picture," he told a press conference at the Foreign Correspondents' Club of Japan.

On the Taiwan issue, Ozawa said Taiwan President Li Teng-hui and other Taipei officials are free to go any country, and that China has also acknowledged the island through its "one country, two systems" formula.

Ozawa, however, quickly added that the Japanese Government recognizes Beijing as the legitimate Chinese government and thus can not have anything to do with, either officially or behind the scenes, any such visit by Taiwan officials.

He expressed the hope that the United States will "continue playing the leader's role" for the peoples of the world.

Japan's taking of joint action with the U.S. does not pose any problem under its war-renouncing constitution, he said.

Ozawa has caused controversy by saying Japan's use of the so-called "right to collective self-defense" is constitutional. The government recognizes that resorting

to collective self-defense goes against the constitution, which renounces war as a means of settling international disputes.

Turning to domestic politics, Ozawa said the tripartite ruling coalition led by Prime Minister Ryutaro Hashimoto will have to think of a general election for the House of Representatives after the next regular Diet session convenes next January.

The four-year term of office of the current lower house members will expire in the summer of 1997.

He ruled out speculation his party may split either before or after the general election or that some Shinshinto forces may join hands with some members of the Liberal Democratic Party (LDP).

Japan: MOFA Spokesman on Bosnia, ASEAN, Others

OW1305131096 (Internet) Japanese Ministry of Foreign Affairs [MOFA] WWW in English 10 May 96

[News conference held by Japanese Foreign Ministry spokesman Ken Shimanouchi with unidentified reporters on 10 May; place not given; from the "What's New" link]

[FBIS Transcribed Text] Press Conference by the Press Secretary 10 May 1996 I. Introduction to the press conference and announcements to the Press

A. Anglo-Japanese aid coordination on rehabilitation and reconstruction of Bosnia and Herzegovina

B. ASEAN Regional Forum (ARF)

C. Possibility of Japan sending an electoral observer mission to the Russian Federation II. Japan-Republic of Korea talks on fisheries matters III. The possibility of visits to Japan by representatives of North Korea IV. The Ministry of Foreign Affairs Diplomatic Bluebook V. The Asian Women's Fund VI. Japan-United States-Republic of Korea tripartite talks to take place on Cheju Island VII. Possible comments made by Senator Bob Dole of the United States of America

I. Introduction to the press conference and announcements to the Press

A. Anglo-Japanese aid coordination on rehabilitation and reconstruction of Bosnia and Herzegovina

Foreign Ministry Spokesman Ken Shimanouchi: Good afternoon, ladies and gentlemen. The governments of Japan and the United Kingdom of Great Britain and Northern Ireland decided on 9 May to cooperate in the implementation of two emergency rehabilitation projects on electric power supply for Bosnia and Herze-

govina. The projects covered by these joint efforts are the rehabilitation and reconstruction of the Ugljevik-Tuzla-Banja Luka and the Trebinje-Bihac transmission systems. The total amount for the projects will be about 3.8 million UK pounds. These two power transmission systems will straddle the two entities which comprise Bosnia and Herzegovina, namely the Federation of Bosnia and Herzegovina, and Republika Srpska. The governments of Japan and the United Kingdom decided to undertake this joint effort in the hope that this assistance, which benefits both entities, will lead to the stability of their relationship and the strengthening of the peace process in Bosnia and Herzegovina. At the Peace Implementation Conference held in London in December last year, then-Foreign Minister Yohei Kono had talks with his counterpart, Minister for Foreign Affairs Malcolm Rifkind of the United Kingdom. At that time, the two reached an agreement that the two governments would be studying ways of promoting the Anglo-Japanese aid coordination to assist the reconstruction of Bosnia and Herzegovina. This will be the first concrete achievement of this agreement.

B. ASEAN Regional Forum (ARF)

Spokesman Ken Shimanouchi: I would like to answer two questions which were asked in last Tuesday's [7 May] press conference. One question was about the ASEAN Regional Forum (ARF) Meeting which is being held right now in Jogjakarta, Republic of Indonesia. This meeting will be taking place today and tomorrow. It is the ARF Senior Officials Meeting (SOM). The Japanese delegation is headed by Deputy Minister for Foreign Affairs Shunichi Yanai. The purpose of this meeting is to exchange views on the regional security situation and to review the outcomes of the various meetings held since last year's ARF Ministerial Meeting. Another important aspect of this meeting is to prepare for the next ARF Meeting scheduled this summer. As you may recall, the Japan-U.S. Joint Security Declaration issued last month makes specific reference to the ARF. It says that the two governments will be working together to further develop regional dialogues in this part of the world, including the ARF. Japan attaches a great deal of importance to the ARF as a forum for dialogue and cooperation in the Asia-Pacific region. We have been making contributions to the ARF process by co-chairing, with Indonesia, the Intersessional Meetings on Confidence-building Measures. In the Session being held right now in Indonesia, we intend to put forward ideas for achieving steady progress in confidence-building under the ARF, and moving the ARF process forward as a whole.

We recall that we were asked last Tuesday if Japan planned to make any stronger proposals regarding the transparency of military activities. We cannot tell you in detail at this moment what we will be proposing at this meeting, because the Meeting is taking place right now in Jogjakarta. But, I can say in general terms that military transparency is very important, since it is a first step in confidence-building, and this issue has been taken up in the Intersessional Meetings on Confidence-building. The results of these meetings will be reported to the SOM which is being held right now. We intend to continue to call on ARF members to submit their national defense papers, in keeping with the understanding reached in past sessions of the ARF.

C. Possibility of Japan sending an electoral observer mission to the Russian Federation

Spokesman Ken Shimanouchi: One of the goals of Russian reform efforts is democratization. We consider the upcoming election for president in the Russian Federation to be of great importance in this context. The Russian Government has informed the Government of Japan that it was prepared to accept observer missions from foreign or international groups to monitor the election. We are now considering this matter — whether or not to send an electoral observer mission to the Russian Federation, in consultation with relevant non-governmental organizations. That is where we stand right now.

Those are the announcements that I wanted to make, and I will be delighted to respond to any questions that you might have.

II. Japan-Republic of Korea talks on fisheries matters

Q: My question is about the fisheries talks going on between the governments of Japan and the Republic of Korea here in Tokyo — in this building, I guess. What kind of issues were discussed, and what position are they in at this point right now?

A: I checked with the department responsible for the talks this morning. They told me that the talks were still continuing as of this morning. I do not know if it is over now, but as of this morning, they were still ongoing. I am told that the agenda has four items on it. The first item is the review and evaluation of the implementation of the fisheries agreement and self-restraint measures. The second item is the result of the joint resources survey conducted by the two governments, and the evaluation of this report. The third item is the desired fisheries order, I assume under the new United Nations Convention on the Law of the Sea regime. The fourth is "other business."

III. The possibility of visits to Japan by representatives of North Korea

Q: I have another question concerning lots of reports in the Japanese press about North Korean officials coming to Japan. One was reported this morning that a head of a North Korean arms reduction peace institute will be visiting Tokyo on 23-24 May in order to participate in a seminar in Tokyo. This paper also reported that there might be a chance that a Japanese Government official might have contact with this gentleman. There is also talk of Mr. Kim Chu-u, the head of the foreign economic council in North Korea coming to Tokyo on 15 July. There is also talk about a Japanese political party sending out an invitation to North Korea to send a delegation to Tokyo. Are there any plans on behalf of the Government of Japan to meet with any of these gentlemen, and how is the Government of Japan looking at the situation?

A: Let me take the last part of your question first, about a possible invitation by the Social Democratic Party (SDP) for a North Korean Delegation to visit Japan. We are told that the North Korean side has conveyed its wishes to the SDP, that it would like to send somebody at the working level to Japan. We understand that the SDP is currently considering this request. Even if this visit does take place, the Government will not be hosting or sponsoring this visit. So, we are not in a position to be well-informed on the details of this visit. Since, at this stage, we do not know whether this visit will really take place or not, there is no way I can answer your question about possible contact between the Government of Japan and this delegation, which we do not know is coming or not. Our position on the other newspaper story is very similar, except that we have only seen this in the newspapers. Even if this visit does take place, the Government will not be involved in this; it will not be hosted or sponsored by the Government. So, we will not be in a position to have the details of the visit if it takes place. To answer your question about possible contacts with the Government, my answer is the same as the answer I gave to the first part of your question. There is no way we can comment on it.

Q: When you say the Government of Japan will not be involved, does it mean that this statement is negating the possibility of meeting these officials by the Japanese Government?

A: I think I answered your question regarding a possible meeting with these officials. I will repeat it. Since we do not know if this visit is taking place or not, there is no way I can comment on it. OK?

Q: OK.

A: Maybe the term "involved" is misleading. Maybe "sponsoring" or "hosting" are better words. IV. The Ministry of Foreign Affairs Diplomatic Bluebook

Q: This question concerns the Ministry of Foreign Affairs Diplomatic Bluebook handed out on Tuesday and passed through the Cabinet Meeting today. It says that the Government of Japan will expand its role in international society. What are some of the specific fields where the Government of Japan would like to expand its roles? What kinds of things does it have as a priority?

A: That is a very general question.

Q: Yes, it is.

A: The other problem is I have not brought the Diplomatic Bluebook with me. Maybe I can answer your question later. V. The Asian Women's Fund

Q: I have a couple questions concerning the sex slaves issue. It was reported that last night sometime, the Prime Minister said that he does not think the issue should be settled only by sending money coming through the so-called Asian Women's Fund to those people. What is the Government's position on that? Could you release a statement on that subject? Would it include an apology?

A: The Asian Women's Fund is now promoting its fundraising efforts. To this date, they have collected 330 million yen. These efforts will continue. It is the Government's intention to give support to the efforts of the Asian Women's Fund. That continues to be the policy of the Government of Japan. With regard to the question of expressing the apologies of the Japanese people, in view of the fact that the dignity and honor of many women were stained, we have expressed in the past, at the highest level of government, our deep remorse and apologies. We plan to express, once again, our feelings of remorse and apologies when the Asian Women's Fund actually implements its project to express the atonement of the Japanese People to the former comfort women.

Q: Atonement to the Japanese Government?

A: Let me explain. The Asian Women's Fund has a number of projects, but one of the projects is to raise funds which will be used to enact the atonement of the Japanese people for Japan's past actions toward the former comfort women. The Asian Women's Fund is currently raising funds for this project. When the Asian Women's Fund actually implements this project, the Government of Japan is planning to once again express its remorse and apology to the former comfort women. That is the position of the Government of Japan.

Q: So, the letter would include an apology?

A: The specific modality of this still has to be considered, but it is our policy to express our apologies to the former comfort women when the project is implemented by the Asian Women's Fund.

Q: Why are you using this type of fund, rather than directly compensating those people?

A: The Government of Japan is of the position that all questions of reparations or compensation or claims relating to the past war have been dealt with in good faith by the Government of Japan, in accordance with the San Francisco Peace Treaty, other peace treaties and related bilateral agreements. We are of the position that, legally, this issue has been settled by these legal documents.

Q: Then why this Asian Women's Fund then?

A: We do, as I said, think this is a very serious issue. It stained the dignity and honor of many women in Asia and elsewhere, and we need to express our apologies, and furthermore, enact these feelings of remorse and apology. That is why the Asian Women's Fund has been set up, to express the atonement of the Japanese people.

Q: Some critics say that the Government of Japan's reluctance to compensate those people directly is the Government's fear of a flood of demand for more compensation. However, other critics also argue that it is not a matter of money, but rather, the Government not wanting to face the dark past of Japanese history. What is your stance on that?

A: It is neither of the two. The Government has repeatedly said that Japan needs to face the past squarely. That is exactly what Japan has been doing. But, when you look at the legal aspects of this issue, as I said, this matter has been legally settled as a result of the San Francisco Peace Treaty, other related bilateral treaties and other treaties.

Q: Could you tell us how the Asian Women's Fund works? How specifically does this thing work? How do you solicit donations from organizations?

A: The Asian Women's Fund solicits donations from private individuals and private organizations — business organizations, trade organizations and so forth.

Q: Do you know the person who we can contact?

A: Yes, I can tell you later. The Asian Women's Fund has a secretariat.

Q: Some people have criticized the Government for trying to collect the money needed through this channel rather than directly compensating those women. What is your stance on that?

A: I will have to repeat what I have said already. I think I have already answered your question. Although we consider this issue legally settled, we take it very seriously. We believe we need to come to terms with our past, and to face Japan's past squarely. As a result of extensive investigations by the Government of Japan, we found documents a few years ago indicating involvement of the Government in the comfort women issue. At that time, we expressed our deep remorse and apologies. Our apologies have been reiterated at the highest levels of government, including at the level of our prime minister.

Q: I guess what those people are trying to say is that it seems that there is a big contradiction in what the Government is saying. On the one hand, you are saying that it has been legally settled, so you have no responsibility. On other hand, because you have this remorse that has to be expressed, you have set up this private organization to collect the money. What I am trying to ask is, what is this contradiction? How do you account for that?

A: I have difficulty understanding where you see the contradiction. I do not see any contradiction.

VI. Japan-United States-Republic of Korea tripartite talks to take place on Cheju Island

Q: I understand the Republic of Korea's defense minister is visiting Japan next week. Is it correct? I read it in a newspaper actually.

A: You always know something I do not know.

Q: I understand that he is arriving on Monday, but over the weekend there is going to be a tripartite talk on Cheju Island — the United States, Japan and South Korea. Could you tell us the relationship of this defense minister's visit to Japan and the tripartite talk?

A: The tripartite talk will take place early next week on Cheju Island. From the Japanese side, Deputy Foreign Minister Yanai will be taking part. As you may recall, the first meeting was held in Honolulu, Hawaii, in January I believe. This is the second of such meetings. Originally, it was agreed on by the foreign ministers of the three countries in Osaka at the time of the Asia-Pacific Economic Cooperation (APEC) Meeting. In the upcoming meeting, the three governments will be discussing matters relating to the Korean Peninsula, and the situation in North Korea. Since I did not know about the Defense Minister of the Republic of Korea coming to Japan, there is no way I can answer your question regarding the relationship between the minister's visit and this tripartite meeting to be held on Cheju Island.

Q: Could you check?

A: This is my personal guess, but, I do not think that there is any direct connection.

Q: Could you check?

A: Of course, there is a connection in the sense that Japan, with regard to the situation on the Korean peninsula, is always in close touch with the Government of the Republic of Korea, and with the United States. In that sense, there is a common denominator between the two. But, I do not see any direct linkage between the two.

Q: Could somebody in your department check?

A: I would be very glad to do that.

VII. Possible comments made by Senator Bob Dole of the United States of America

Q: Senator Bob Dole in the United States made a comment last night that he is calling for a halt in U.S. talks with North Korea, unless North Korea honors its commitment to resume its dialogue with South Korea. I am wondering if the Government of Japan has any official stance on this? Would you let me know what comments you have on these remarks?

A: I was not aware of that statement by Senator Robert Dole of the United States of America. I have no comments to offer on a comment which I am unaware of.

Q: Is it possible for you to check on this remark?

A: I do not know if we would have any comment on this. Thank you very much.

Tokyo Welcomes China's Shift to 'Flexible Stance' on CTBT

*OW1405062996 Tokyo KYODO in English
0500 GMT 14 May 96*

[FBIS Transcribed Text] Tokyo, May 14 KYODO — Japan welcomes China's shift to a flexible stance on a proposed international treaty banning all nuclear test blasts, Foreign Minister Yukihiko Ikeda said Tuesday [14 May].

"We welcome China's active stance on the completion of the Comprehensive Test Ban Treaty (CTBT)," he said at a news conference, referring to Chinese Disarmament Ambassador Sha Zukang's remarks that Beijing will agree to conclude negotiations for the CTBT by the end of June and sign the pact in September.

Sha also said in Geneva on Monday China is ready to compromise on its insistence that the proposed test ban treaty not cover nuclear explosions for peaceful purposes.

China has said it wants to have the CTBT completed by the end of the year with peaceful nuclear experiments excluded from its obligations.

Ikeda said China's policy shift "will lead to early completion of the CTBT," adding Japan will also continue to do its utmost to have the pact concluded and signed as quickly as possible.

Japan: PRC's Rong Yiren Meets Business Delegation

OW1405090496 Tokyo KYODO in English
0822 GMT 14 Apr 96

[FBIS Transcribed Text] Beijing, May 14 (XINHUA) — Chinese Vice-President Rong Yiren met here today with a delegation from Japan Association of Corporate Executives (JACE) headed by Kensuke Koga.

Rong praised the JACE'S efforts in advancing Sino-Japanese economic co-operation while urging the Japanese business people to invest more and do more business with their Chinese counterparts, particularly in China's central and western regions.

There has been great progress in Sino-Japanese economic exchanges and co-operation, Rong said. However, it does not yet match what the two countries should have done or the economic strength of the two countries, he stated, adding that greater potential is yet to be tapped by the two countries.

Briefing the Japanese guests on China's ongoing Ninth Five-Year Plan, starting this year, Rong said a good beginning has been registered, with the country recording a sustained, stable and healthy economic development, featured by decreasing inflation and increasing foreign exchange reserves.

During the five-year period, Rong stressed, China will deepen its reforms in various economic sectors, the reform of state-owned enterprises, commodities circulation and priority of investment areas in particular, and accelerate the economic development in the central and western areas. This is aimed at creating an even solidier [more solid] foundation for further development in the coming century through reinforcing the country's agglomerate strength, Rong said.

Koga said he was impressed by the economic changes in China in which the country has been paying more attention to "quality and effectiveness" rather than mere quantity of products. He also said he hoped that China would make new achievements in reforming its state-owned enterprises.

The JACE is one of the four leading economic bodies in Japan. At the invitation of the State Economic and Trade

Commission, the delegation has come to co-sponsor the just-concluded China-Japan Economic Seminar.

Japan: Keidanren Releases Talks Held With PRC Leaders

OW1405115896 (Internet) Keidanren WWW
in Japanese 9 May 1996

[Keidanren's report on meetings with PRC President Jiang Zemin, Vice Premier Zhu Rongji, and other Chinese leaders during the Keidanren mission's visit to China 9 to 15 April; from "Keidanren Clip No. 32 issued on 9 May 1996]

[FBIS Translated Text] At the invitation of the China Council for the Promotion of International Trade, a Keidanren mission to China led by Keidanren Chairman Shoichiro Toyoda visited Beijing, Shanghai, and Suzhou, met with Chinese leaders and businessmen headed by PRC President Jiang Zemin, and exchanged views on problems confronting China, Japan-PRC relations, and international relations centered on Asia and the Pacific. Principal members of the mission are Keidanren Vice Chairmen Mita, Suzuki, Yonekura, Sue-matsu, Aoi, and Higuchi, Council Vice Speaker Haruna, Chairman Nishio of the Japan-Vietnam Economic Committee, Chairman Kumagai of the Japan-Indonesia Economic Committee, Chairman Makiyama of the U.S. Committee, acting Chairman Kawamoto of the China Committee, and Secretary General Miyoshi.

I. Summary of the Roundtable Conference in Beijing

1. With leaders headed by PRC President Jiang Zemin and Vice Premier Zhu Rongji, the mission exchanged views with a long vision centering on both Japan and China.

The Chinese side explained about the 9th Five-Year Plan and a long-range plan extending to the year 2010. China aims at quadrupling its per capita GNP of 1980 by the year 2000. In order to achieve this objective, an opinion was presented that growth at more or less 8 percent, which is lower than the past growth rate, is required.

2. The Keidanren side proposed a series of projects which could be monumental in Japan-China cooperation extending into the 21st century. The Keidanren delegation made it clear that it will positively cooperate in: (1) The fields of environment, energy, and agriculture; (2) all-around development of the Yangtze River; and (3) improvement of the transportation infrastructure, such as Shinkansen [bullet train] and so forth.

From the Chinese side a great deal of interest was shown in cooperation in the all-around development

of the Yangtze River and cooperation in the fields of agriculture and the environment, which are related to rectification of economic disparity and to food self-sufficiency.

3. With Wang Zhongyu, Minister of the State Economic and Trade Commission, the mission exchanged views on China's new industrial policy.

China's industry is composed of 20 percent primary, 50 percent secondary, and 30 percent tertiary industries. Its explanation was that the industrial policy for the 1990's, recently worked out, designated the nurturing of such basic industries as machinery, mechanical electronics, electronics, automobile and petrochemicals, reforms in nationalized enterprises, and improvement in agricultural foundations as important pillars in solidifying the basis of the economic society.

4. With relation to the problems of Japan-PRC trade and investment, the mission exchanged views with Liu Shanzai, vice minister of the Ministry of Foreign Trade and Economic Cooperation.

Vice Minister Liu said, "China's total trade volume in 1995 amounted to \$280.8 billion, of which \$57.5 billion was between Japan and China." He added, "In the year 2000, the total trade will amount to \$500 billion and Japan-China trade will expand to \$100 billion. Japan's investment in China in 1995 on a working basis exceeded \$130 billion and Japan-PRC economic relations embrace the potential for expansion. I hope Keidanren will play its role to further cooperation."

Vice Minister Liu also said that a transition from preferential treatment by areas to preferential treatment by industries will be made as the future policy direction.

5. At a roundtable conference with entrepreneurs headed by Yuan Baohua, president of the China Enterprise Management Association, the mission heard the Chinese explain about problems Chinese enterprises confront and what reforms are contemplated and exchanged views.

To the Keidanren delegation's question how the maintenance of employment and improved productivity are thought to coexist, the Chinese side made the following reply. There will be no change in the fact that nationalized enterprises supply materials that people need for living and that they are a major source of financial revenue, thus as it used to be, they remain to occupy an important position in peoples' economy. Thus, nationalized enterprises are granted rights to the estate and discretionary rights to management, and a modern enterprise system is going to be firmly established by introducing a scientific method of management. In that

process, experiences of Japanese enterprises will be used as a reference.

II. Summary of Roundtable Conference in Shanghai

Mayor Xu Kuangdi and Vice Mayor Jiang Yiren of the Shanghai Municipal People's Government made the following explanation about Shanghai's economic situation and its development plans.

As the largest industrial metropolis of China, Shanghai has maintained for four years an average GNP growth rate of 14 percent, a growth rate of 17 percent in the field of manufacturing industry and a growth rate of 20 percent in foreign trade volume. The pace of development in the Pudong New Area has exceeded these figures. Such development in Shanghai is due to the open door, reform policy of the central government and Shanghai has also benefited from a multitude of very talented people and smooth economic management.

At present, approximately 14,000 foreign-affiliated enterprises are operating in Shanghai and Japanese enterprises account for 1,100. Close exchanges are maintained with Japan, contributing greatly to Shanghai's development.

In conjunction with the 9th Five-Year Plan and a long-range plan that ends in 2010 of the central government, Shanghai has also worked out its own development program. It is hoped that Keidanren will provide far more cooperation.

The development program will see to it that continued efforts will be made in urban construction, such as building loop highways within the city and subway construction and improving the overall infrastructure such as providing tap-water and maintenance of the environment. It also intends to endeavor for the development of the tertiary industry and make Shanghai, centered around the Pudong New Area, a monetary and trade center, the business center of the 21st century. At the same time, the cultural field is wished to be made replete.

2. Huang Ju, secretary of the Shanghai municipal party committee, said, "Because the Japanese economy seems to be on the way to recovery, it is hoped that the cooperative relations between Shanghai and Japan will expand far greater than before. Hereafter, efforts will be made for the development of Shanghai with the development of the whole Yangtze River basin in mind." In connection with the construction of Shinkansen, Japan was asked to participate in the bidding because Shanghai wants to propel the project positively, although it is a central government project.

III. Tour of Economic Development Zone in Suzhou

At Suzhou in Jiangsu Province, the mission was briefed on the Singapore-Suzhou industrial city (Yuan district) jointly developed by Singapore and Jiangsu Province and the new industrial district independently developed by Suzhou City from Philip Yeo, Singapore's secretary of Economic Development Agency [passage as received]; Zheng Silin, governor of Jiangsu Provincial People's Government; Yang Xiaotang, vice governor of the province and concurrently party committee secretary of Suzhou City; and Zhang Xinsheng, mayor of Suzhou City. The mission visited foreign affiliated plants, commercial facilities, and employee's living quarters of foreign affiliated enterprises and inspected the progress of overall urban development including factories.

Japan: Taiwan's Former DPP Head Comments on 'Independence'

OW1305151096 Tokyo KYODO in English
1404 GMT 13 May 96

[FBIS Transcribed Text] Tokyo, May 13 KYODO — A key figure of Taiwan's opposition camp said Monday [13 May] he has reassured Japanese politicians that the island will not formally declare independence to avoid provoking China.

Shih Ming-te, former chairman of the major opposition party, the Democratic Progressive Party (DPP), told KYODO news in Tokyo there "is no need to declare independence, because Taiwan is already de facto independent."

Shih, who met with Koichi Kato, Secretary General of the dominant ruling coalition force, the Liberal Democratic Party, and legislators from the major opposition party, Shinshinto (New Frontier Party), said the Japanese politicians were apparently relieved over his pledge.

He indicated the move was aimed at facilitating the building of ties with Japan's political parties, which have dealt almost exclusively with Taiwan's ruling Kuomintang (KMT or Nationalist Party) in the past to avoid upsetting China.

The DPP's platform calls for a constitutional amendment to establish a "sovereign and independent republic of Taiwan" following an islandwide referendum.

China, which regards Taiwan as its renegade province, has threatened to invade the island if it declares independence or tries to thwart ultimate reunification.

Shih said he also sought Japan's understanding for his party's efforts to win international support for a proposal to "neutralize" the Taiwan strait through guarantees for free passage and the renunciation of the use of force.

He said the scheme was aimed at preventing an escalation of tensions as seen during a series of intimidating Chinese military exercises straddling Taiwan's first direct presidential election March 23.

Shih stepped down as DPP leader on the day of the election to take responsibility for his party's poor showing in the vote, which comfortably returned incumbent president and KMT leader Lee Teng-hui to power.

Some blamed the disappointing outcome on the party's pro-independence radicalism.

Acting DPP chairman Chang Chun-hung has said the party leadership will propose amending the platform by either deletion of the passage calling for independence or by toning down the wording during a Party Congress in mid-June. SHIH arrived in Japan last Wednesday and will return home Tuesday.

Japan: Defense Research Center Official Discusses Asian Tour

OW1005125796 Tokyo DRC in Japanese 1 May 96
pp 4-5

[Article by Naruhiko Ueda, senior executive director, Defense Research Center; Doctor of Engineering; General (retired), Ground Self-Defense Force. Originally titled "DRC 24th Overseas Research and Survey Mission Special: Overview"]

[FBIS Translated Text] Members of the Research Mission

DRC Senior Executive Director (Team Leader) Naruhiko Ueda; DRC Researchers Hiro Abe, Hiroshi Ikawa, Michiharu Sekiya, Masaji Takayama; DRC Chief Researcher Tetsuo Tokoi

Goals, Places Visited

We undertook, following our first Defense Research Center [DRC] mission to Southeast Asia in October 1994, a second research mission to the major nations of ASEAN [Association of Southeast Asian Nations]. From an international perspective, what should Japan's position and roles be in a new security environment? How is each nation of Southeast Asia thinking in this regard? What expectations do they have for Japan? Visiting those nations, directly making the acquaintance of individuals responsible for security issues and contributing to confidence building by accurately conveying the true situation as far as Japan is concerned.

We put together a survey and research team of six individuals, built around research committee members conducting basic research within DRC as well as commissioned research for the Japanese government re-

lated to international confidence building. After completing preparatory research, the team visited Thailand, Malaysia, Singapore, Indonesia, and Taipei on their trip, which lasted from 25 November (Saturday) to 3 December (Sunday). They held frank dialogues, based on their experience as fellow uniformed military men, with individuals in each nation's defense ministry and university research institute. Since this was the second round of research discussions for both the team and the places visited, the team received enthusiastic welcomes in each country visited. The visits proved extremely significant.

Outline of Results

Before noon on 25 November (Saturday), we departed from the 2d Terminal at Narita New Tokyo International Airport, which was filled with young people, arriving in Bangkok seven hours later. Due to the time difference, we had to set our watches back two hours. On hand to greet us were Defense Attache Colonel Takashi Koyamada of the Ground Self-Defense Force (GSDF) and officials from the Thai Defense Ministry. Two white motorcycles led the way as we drove in along a new expressway to our lodgings in the heart of the city. In the evening we attended a working dinner with Royal Thai Air Force Lieutenant General Chanchai [as published] and five members of the staff at Chulalongkorn University, including Dr. Suchit [as published], who serves as head of the Institute for Security and International Studies, as well as the dean of the Faculty of Politics at Chulalongkorn. We exchanged views on recent Japan-Thai relations and other issues.

On the next day, Sunday, we decided to visit the ancient capital of Ayutthaya to learn about Thai culture and history on the spot. On Monday morning, we paid a courtesy call on Royal Thai Army General Itorpu [as published], head of the National Defense Research Center, and held a lively exchange of opinions with Thai defense officials. This is a large organization that has several facilities under its umbrella, including the National Defense University, Joint General Staff University, Applied Psychology Research Center, Strategic Research Center, and Graduate School. After that we held research discussions in a conference room of the National Defense University with Thai officers responsible for strategic research and others. On our side, we gave our counterparts a prepared general briefing on DRC's activities, Japan's new defense policies, and conditions in the Asia-Pacific region. As was the true at all of the places we visited at lunch time, our lunch that day was of the working variety. This lunch was hosted by Embassy Minister Motohide Yoshikawa, who in the past served as director of the United Nations Policy Division at the Foreign Ministry. In the afternoon we held

research discussions with Dr. Panitang [as published], director of the Defense Research Program at the Institute for Security and International Studies (ISIS) at Chulalongkorn University, five of his academic colleagues, and others. We took a night flight to our next destination, Malaysia. Waiting at the airport to take us to our lodging was Defense Attache GSDF Colonel Shoji Uto.

Tuesday morning, after paying our respects to Ambassador Issei Nomura and enjoying a chat with him at the Japanese Embassy, in a conference room of the Defense Intelligence Headquarters of the Malaysian Defense Ministry, we held research discussions with Malaysian Army Colonel Saidy [as published], who is deputy president of the National Defense University, and eleven other staff officers from the Malaysian Army, Navy and Air Force. Following that, we continued our discussions over a lunch of Malaysian cuisine that had been prepared for us. In the afternoon, we visited the Japan Research Center within the Research Center on Strategic and International Problems, an organization that is directly under the prime minister's office, and exchanged views with Dr. Leong [as published] and two of his colleagues. These discussions proved most beneficial.

Again we caught the last night flight, this time to Singapore. On hand at the airport to greet us and take us to our lodgings was Defense Attache Captain Tatsuya Nagachi of the Maritime Self-Defense Force (MSDF), another member of the Embassy staff, the deputy director of the Public Relations Section of the Defense Ministry, and another official from the ministry. On Wednesday morning we visited the headquarters of the Singapore Civil Defense Force. Commander in Chief Tan (a former Army colonel), division chiefs, and others turned out to give us a very warm welcome. We received a general briefing and then held discussions. Then, after holding research discussions with Mr. Raymond [as published], deputy chief of the Security Intelligence Division (SID) of the Singapore Defense Ministry, and six subordinates on the staff, we attended a luncheon meeting and exchange of opinions with Army Colonel Kwok [as published], acting division chief. In the afternoon, we held talks with Colonel Ashin [as published], who is head of the section responsible for peacekeeping operations (PKO) within the Defense Division of the Defense Ministry, and five of his subordinates. Next, we moved on to the General Staff Officers' Club, where 17 Singaporean military members, who had studied abroad at defense universities or officers' schools, joined us for a very lively discussion about recent conditions impacting defense. That evening we attended a dinner party for us hosted by Colonel Kwok. Early on Thursday morning we flew on to Jakarta, Indonesia. On hand to meet us at the airport were Defense Attache MSDF Captain Sumi-

hito Hamakawa, Lieutenant Colonel Elizabeth [as published] of the Public Relations Division of the Indonesian Defense Ministry, and other Indonesian officials. Two white military police motorcycles led the way for us to the National Remuhanas [as published] Research Center. The Center's director, Lieutenant General Motojibu [as published], hosted a luncheon party for us. Then the deputy center head, Dr. Juono [as published], moderated a discussion involving ten Indonesian experts, including some researchers at the center. In the evening, DRC hosted a dinner party. On Friday, we flew via Hong Kong to Taipei. At a dinner party hosted by General Huang, Air Force Commander in Chief, there was another exchange of opinions. The following day, Saturday, was the election day for the Legislative Yuan. Nevertheless, we were able to hold research discussions at the Intelligence Headquarters of the Defense Department with its director, Lieutenant General Huang, and seven other members of the Army, Navy, and Air Force staffs. We then attended a luncheon hosted by Major General Kang on the top floor of the newly renovated Hsinkuang-Mitsukoshi Building.

On Sunday, we departed Taipei on board a China Airlines flight for Haneda Airport. Thus came to a close quite our highly compressed research and survey activities.

Schedule, Places Visited

25 November (Saturday) Departure from Narita. Arrival in Bangkok. Working dinner with Defense Ministry officials.

26 November (Sunday) Sightseeing around Bangkok.

27 November (Monday) Visit to Thailand Defense Research Center and National Defense University. Meeting with Mr. Motohide Yoshikawa, minister with the Japanese Embassy, Thailand.

Visit to the Institute for Security and International Studies at Chulalongkorn University. Flight to Kuala Lumpur.

28 November (Tuesday) Visits to Japanese Embassy, Malaysia; Ministry of Defense; Japan Research Center at the Research Center on Strategic and International Problems. Flight to Singapore.

29 November (Wednesday) Visits to the headquarters of Singapore's Civilian Defense Force; Security Intelligence Division of the Defense Ministry; and General Staff Office of the Defense Ministry. Meeting with graduates of the Defense University and others. Working dinner with officials from the Defense Ministry.

30 November (Thursday) Flight to Jakarta. Visit to the National

Remuhanas [as published] Research Center. Working dinner with Defense Ministry officials.

1 December (Friday) Flight via Hong Kong to Taipei. Dinner with Taiwan Air Force Commander in Chief, others.

2 December (Saturday) Visit to the Defense Ministry Intelligence Division. Working luncheon. Sightseeing in Taipei.

3 December (Sunday) Departure from Taipei. Arrival at Narita.

Japan: Current Account Surplus Falls for Third Year

OW1305040496 Tokyo KYODO in English
0238 GMT 13 May 96

[FBIS Transcribed Text] Tokyo, May 13 KYODO — Japan's fiscal 1995 current account surplus fell for the third straight year, dropping 23.8 percent on strong imports and a rise in spending abroad by Japanese tourists, the Finance Ministry said Monday [13 May].

The current account surplus for the fiscal year that ended March 31 totaled 9,464.6 billion yen, falling below 10 trillion yen for the first time since fiscal 1990, the ministry said in a preliminary report.

Japan's surplus in goods and services trade declined 34.8 percent to 5,906.5 billion yen, posting a decrease for the third successive year.

A Finance Ministry official said, "both the current account surplus and the surplus in goods and services trade are expected to remain on a downtrend."

"Japan's imports are continuing to rise due to a structural change while the deficit in the tourism account is showing an uptrend amid an increase in the number of the Japanese who travel abroad," the official said.

Japanese companies are accelerating moves to shift production abroad to take advantage of lower costs, and as a result are importing more finished products from overseas.

The current account balance measures the trade flows of goods and services, investment income and other monetary transfers.

Japan's surplus in merchandise trade in fiscal 1995 dropped 17.5 percent to 11,628.8 billion yen, falling for the third straight year, the ministry said.

Exports rose 4.4 percent to 41,236.2 billion yen, increasing for the second consecutive year, while imports advanced 16.7 percent to a record 29,607.4 billion yen, also for a second successive annual rise.

Among export items, exports of semiconductors and other electronic devices rose 29.3 percent and shipments of metal- processing equipment gained 47.0 percent.

Exports of automobiles, however, fell 14.4 percent and those of telecommunications equipment declined 24.0 percent.

Imports of office equipment surged 67.0 percent and those of electronic devices advanced 67.2 percent. Auto imports posted a 24.5 percent increase.

The ratio of imported finished products to overall imports reached a record high of 59.9 percent in fiscal 1995. The previous high was 55.8 percent set in fiscal 1994.

In services trade, meanwhile, Japan posted a deficit of 5,722.5 billion yen, the second-highest figure on record and up from the year-earlier deficit of 5,043.4 billion yen.

The deficit in the tourism account reached a record high of 3,298.8 billion yen, up from the year-before deficit of 2,829.2 billion yen.

The fiscal 1995 current account surplus, the surplus in goods and services trade and the merchandise trade surplus all cleared targets set by the government.

The government had estimated Japan's fiscal 1995 current account surplus at 10 trillion yen, the surplus in goods and services trade at 6.3 trillion yen and the merchandise trade surplus at 11.7 trillion yen.

Masaru Takagi, chief economist at the Fuji Research Institute, affiliated with Fuji Bank, said, "a downtrend in the current account surplus has been established."

Regardless of Japan's economic cycle, imports tend to increase because of Japanese companies' production shifts abroad for exports of manufactured goods back to Japan as well as an increase in inflows of Asian products, which are becoming competitive not only in price but also in quality, he said.

Japan's current account surplus is expected to post a decrease of about 2 trillion yen in fiscal 1996, Takagi said.

In March alone, Japan's current account surplus decreased 8.5 percent from a year earlier to 1,262.5 billion yen, the ministry said.

Excluding August 1995, Japan's monthly current account surplus has continued to fall since December 1994, it said.

The surplus in goods and services dropped 16.3 percent to 866.7 billion yen, marking a decline for the 16th consecutive month, the ministry said.

Merchandise trade left a surplus of 1,369.4 billion yen, down 7.1 percent, also the 16th straight month of decrease, it said.

Exports rose 8.7 percent to 4,117.1 billion yen, an increase for the eighth straight month, while imports climbed 18.8 percent to 2,747.7 billion yen, a rise for the 20th straight month, the ministry said.

In services trade, Japan's deficit rose 14.7 percent to a monthly record of 502.7 billion yen, it said.

Japan: Panel Agrees To Discuss Tax Reform, Social Security Burdens

*OW1405090296 Tokyo KYODO in English
0821 GMT 14 May 96*

[FBIS Transcribed Text] Tokyo, May 14 KYODO — An advisory body to the international trade and industry minister agreed Tuesday [14 May] to discuss reform of tax and social security financing at a time when Japan's costly economic structure is forcing companies to move operations offshore, ministry officials said.

At a general affairs subcommittee session of the industrial structure council, some members said the Ministry of International Trade and Industry (MITI) cannot afford to wait any longer to discuss the issue amid strengthening international competition, they said.

The officials argue growing costs in the public sector could constrain economic vigor, noting that high unemployment rates in Europe can be explained partly by high tax and social security burdens that require high wages.

Tax and social security burdens shouldered by Japan's corporate sector amounted to 13.8 percent of national income in 1993 and are expected to swell to 19.5 percent in the year 2025, the Organization for Economic Cooperation and Development (OECD) forecasts.

The ratio of such payments from the corporate sector was 9.7 percent in the United States in 1993, 10.6 percent in Britain and 13.2 percent in Germany, according to the OECD. Internationally high burdens will drive more companies out of Japan, the officials said.

Some panel members called for discussion on relations among employment, public services and public burdens from the consumer viewpoint, while others suggested that deregulation and other steps be taken to allow the private sector to take over some public services.

The council subcommittee convened to share opinions on a broad range of economic and industrial issues before starting to discuss MITI policies for fiscal 1996. Other topics they discussed included venture businesses, regional industrial policy and the environment.

At the next session slated for late August, it will concentrate on more specific policy issues, the officials said.

Japan: Ministries on Housing Construction Cost Cut

OW1405102596 (Internet) Japan Economic Foundation WWW in English Mar 96

[From the "What's New" link]

[FBIS Transcribed Text]Emergency Priority Program for Reducing Housing Construction Cost

March 26, 1996

The Ministry of Construction

The Ministry of Justice

The Ministry of Health and Welfare

The Ministry of International Trade and Industry

High cost structure of Japanese economy is being pointed out from various sectors. With regards to the housing sector, it is necessary effort be made in lowering housing construction cost in order to make possible enjoyment of truly affluent housing life by the people at reasonable cost. [sentence as received] Toward this end, in a cabinet meeting decision on the action plan for rectifying high-cost structures and increasing industrial dynamism in housing construction (hereinafter called the "Action Program"), it was decided to target lowering of average housing construction cost to approximately two thirds of hitherto level by FY2000 as a part of "Social and Economic Plan for Structural Reforms" of December 1995.

Moreover, it is felt necessary to further promote deregulation in line with economic social structural reform and international cooperation. With regard to housing sector, from a point of view of harmonization with international standards, enlargement of people's freedom of choice, correction of high cost structure relative to housing construction through comprehensive review of building regulation system and introduction of less expensive foreign materials attended with said review is said to be a pressing problem.

While attending to these new problems, in order to aggressively realize targets of the Action Program, it is necessary to further develop general and nationwide housing construction cost reducing policy by taking an opportunity of starting the 7th Housing Construction 5 Year Plan in FY1996. It was therefore decided to prepare "Emergency Priority Program for Reducing Housing

Construction Cost" centering on priority matters to be taken up during fiscal year 1996.

By successfully realizing this plan. Formation of Creative 21st. Century Type System is to be promoted in the housing sector.

1. Comprehensive Review of Building Regulatory Framework

(1) Comprehensive Review of Building Regulatory System

1) Rationalization of Building Regulatory System — In order to create rational regulatory system which more accurately responses to international cooperation, promotion of deregulation and other needs of the time Building Council is now investigating and deliberating on "How New Building Administration Should be in the Face of Economic Social Changes Looking into the 21st Century." [sentence as received] On the basis of Building Council's investigation and deliberation new systematic framework for building regulations is to be prepared during FY 1996, there upon tangible preparation of the system, such as legal measures, are to be undertaken promptly thereafter.

2) Introducing Performance Concept to Building Regulatory System — Amongst studies under 1) above, as for building regulatory system, in particular, from a point of view of harmonization with international standards, induction of self-responsibility system, enlarged people's choice freedom, and inducement of technological developments, present system centering on prescriptive regulations is to be basically changed to performance-based regulations. [sentence as received]

3) Performance-Based Regulations of Wood Frame Construction Technical Standard — As for housings by wood frame construction method (i.e. 2 x 4 method, etc.) technical standard of structural method thereof is to be precedentially performance-based during FY1996.

(2) Comprehensive Review of Regulations on Water Supply

1) Review of Regulations on Plumbing Fixture Contractors — In order to relax regulations on plumbing fixture contractors in performing works for appointed water works utilities which require office within their service area, national qualifications shall be established for plumbing fixture engineers so that any contractor with qualified engineers may be appointed and undertake work for any waterworks utilities. For this purpose, the revision of Water Works Law is currently been submitted to the Diet.

2) Rationalization of Water Supply Equipment Regulations — With regards to water supply equipment, national standards for the equipment structure and materials shall be clarified in an effort to establish performance-based standards of these. Attended with this, water supply equipment type approval and quality inspection presently required prior to use will be amended with general review of present system to a system in which it will be up to consumer whether or not to use one of products certified by an independent certification organization. This is expected to be enforced from FY1997. In the new certification system by an independent third-party organization, in-house inspection and random sampling systems shall be inducted for radical simplification, whereas with present type approval system total sampling is required. Moreover, in order to promote international harmonization of regulations, mutual recognition with overseas certification organizations shall be promoted.

(3) Introduction of Factory Prefabrication System for Gas Piping Works

The Factory Prefabrication System for Gas Piping Works will be implemented as of July 1996. This new measure is aimed to enhance housing manufacturers to practice laying gas pipes by themselves at their own factories under certain standards.

2. Facilitate Induction of Imported Housings and Foreign Materials and Components

In order that Japanese consumers have a larger selection to choose regarding housing construction, it is necessary to create highly competitive housing market. Moreover, based on need for international cooperation and existence of price differences between Japanese and foreign housing construction costs, with regard to imported housings and foreign materials and components, in particular, there is need for preparation of conditions for their smooth introduction. For this reason there is a pressing need to forge ahead with following policies:

(1) Promotion of Mutual Recognition on Building Codes and International Harmonization on Building Standards — In order to streamline certification process for building materials, discussions with related foreign organizations shall be promoted for mutual recognition on building codes so that mutual acceptance of building materials may be facilitated by, for instance, recognition of foreign testing laboratories which can supply acceptable test data. Further, with regards to foreign materials and components, in order to improve their access into Japanese market international alignment of JIS and other standards are to be promoted. As for wood frame construction method, in particular, it is necessary to arrange

that among the materials which conform to overseas common standards, some materials like lumbars, plywood, etc. that have sufficient structural strength with proper quality control system and have many things in common with Japanese products may be used for wood frame construction in Japan, provided that conformity with the said overseas standard is certified and indicated. In view of the above, discussions with overseas organizations concerned shall be proceeded with 3 countries and 10 organizations and for 30 types of building materials as an aim within FE [as received] 1996.

(2) Facilitation of Supply of Housings Using Foreign Materials and Components — In order to facilitate supply of houses using foreign materials and components, such as wood frame construction method, examination for certification by the Minister of Construction under Building Standard Law Article 38 of special building materials and structural methods must be rationalized, and examination standard for introduction of housing employing foreign methods be prepared.

(3) Establish "Housing Import Information Dial" — It has been pointed out existence of legal obstacles such as building regulations, facilities related regulations in induction of imported houses, foreign materials and components into Japan. In order to promptly and generally grasp these pointed out matters "Housing Import Information Dial" is to be introduced utilizing Internet. Information collected at the "Housing Import Information Dial" are to be made public periodically, while at the same time notify relevant organizations for necessary corrective actions.

(4) Promote Propagation of Foreign Building Materials by Holding "Imported Construction Materials and Equipment Fair" — In order to promote propagation of foreign building materials, etc. while promoting exchange of information between foreign building material producers and Japanese housing manufacturers, it is also necessary to increase opportunities for supplying information to foreign suppliers wishing to enter Japanese market. For this purpose, "Imported Construction Materials and Equipment Fair" jointly sponsored by relevant organizations, is scheduled to be held at Yokohama during FY1996 with suppliers from many foreign nations being asked to participate, while at the same time insuring wide publicity of the Fair to the domestic housing manufacturers and other related people for providing effective place for supply and exchange of information. Coinciding with opening of the Fair, housing and construction industry organizations and other interested parties are to be invited to attend Import Promotion Conference for active utilization of foreign building materials, etc. [sentence as received]

(5) Utilization of JETRO Imported Housing Exhibitions and JETRO Housing Materials Centers In order to promote propagation of imported housings, 8 existing JETRO Imported Housing Exhibitions are to be actively utilized for providing necessary information to the consumers. Further, to promote dissemination of foreign materials and components, 2 existing JETRO Housing Materials Centers are to be utilized to provide information as well as to promote business talks.

(6) Expediting Immigration Procedure for Foreign Skilled Labors Participating in Construction of Imported Houses — Based on Immigration Control and Refugee Recognition Act and Ministry of Justice Ordinance, when granting skilled labor resident status to foreign skilled labors participating in construction of imported housings, efforts are to be made to quicken examination procedures to 2 to 3 weeks from the time applications for necessary resident approval certificate to be granted to the said foreigners are made.

3. Promotion of Leading Projects for Reducing Housing Construction Cost

In order to widely publicize effects of various policies for reducing housing construction cost to housing manufacturers and consumers, following model projects are to be actively promoted.

(1) Undertake Model Projects for Utilizing Foreign Materials and Components Housing and Urban Development Corporation (HUDC), regional housing supply public corporations and other public housing supply organizations are to undertake model projects during FY1996 to indicate to both consumers and housing manufacturers possibilities of foreign materials and components and to set examples in using foreign materials and components while at the sometime grasping cost reduction effect.

(2) Construction of Low Cost Model Housing Development — In order to widely publicize to public general of standard type housings, etc. incorporating "Plus You" housing, imported housings, reduced option specifications and to promote propagation of low cost housing market low cost model housing developments by all prefectures in the nation are to start preparation thereof in FY1996. For this purpose, HUDC, regional housing supply corporations and other public housing supply organizations themselves are to make active effort in creating low cost model housing developments, while central government and regional public organizations are to assist in planning, designing, exhibitions, etc. when public housing suppliers, private sector housing supply cooperative enterprises undertakes low cost housing developments.

4. Preparation of Positive Support Organizations for the Consumers

To cite an example for high housing construction cost in Japan is due to lack of information of consumers on housing construction, and consumers taking not necessarily appropriate selection procedure due to the foregoing. [sentence as received] With most Japanese consumers, house is "once in a life time purchase," there is also a limit to information gathering by consumer alone. For this reason it is necessary to prepare an environment in which accurate information can be obtained by a consumer and so that consumers may have larger freedom in choice. Following policies are to be actively promoted.

(1) Prepare "Housing Up Center"

At least one "Housing Up Center" in each of the prefectures in Japan is to be established during FY 1996 which are to be provided with such information from basic knowledge to specialized information on housings and housing construction materials and components, including information on imported housings and foreign construction materials and components, in order that consultations from consumers can be accurately responded.

(2) Preparation of Housing Performance Evaluation Indication System

In relation with durability, insulation and other performance properties of a house, evaluations and indications are to be made based on unified items and standards while considering cost to the consumers. As it is possible to compare and study housing performance that by creating unified framework for housing performance and indication efforts shall be made to prepare housing performance and indication system.

(3) Activation of Housing Market

In order to enlarge consumer's freedom of choice, it is necessary that housing market be activated through enhanced competition by promoting new entries into housing market, supply of highly durable and alterable housings, development of resale housing market, promotion of housing remodeling, etc. To this end, the scope of housing performance warranty scheme is to be expanded to include as their objects rental and resale housings. Also, information supply system for house remodeling is to be established to provide information on the contractors and so forth. Moreover, research and development on housing production and supply system shall be conducted, while promoting the project, "House Technology Development for Creative Life."

5. Promotion of Housing Production Rationalization Program

With present state of Japanese housing manufacturing system, it has been pointed out from various circles as a result of various problems, such as productively, multi-tier subcontractor structure, multi-tier multi-phase distribution system, have contributed in raising housing construction cost. In order to solve these problems it is necessary to give actively support medium and small housing manufacturers in enhancing productivity and quality control, strengthen management base, etc, while rationalizing housing material distribution system. [sentence as received] For this purpose the following are to be promoted.

- 1) In order to propagate superior but low cost housing production system to medium and small housing manufacturers supports and guidance are to be provided for cooperative production and intensified informationalization of the medium and small housing manufacturers.
- 2) Prepare regional centers which will serve as prefecture level housing industry modernization nucleuses.
- 3) Augment training facilities for securing and educating building construction skilled labors.
- 4) Rationalize distribution system by informationalizing housing material and component industries, encouraging standardization of housing components and equipment concerning their sizes and methods of installment.
- 5) Technological developments of durability, aseismicity, energy conservation, barrier free and others technologies agreeing with medium and small housing manufacturers characteristics. [sentence as received]

Japan: MOF Prepares 'Checklist' for Inspection of Overseas Bank Branches

OW1405002596 Tokyo NIHON KEIZAI SHIMBUN in Japanese 12 May 96 Morning Edition p 3

[FBIS Translated Text] The Ministry of Finance (MOF) will strengthen the inspection system for Japanese financial institutions' overseas branches beginning this fiscal year. Having learned from the incident in which Daiwa Bank incurred huge trading losses last year, the MOF has prepared a "checklist" to examine whether Japanese banks' overseas branches have established the risk management system for the market transactions.

After the Daiwa Bank scandal, the MOF drew up a plan to review the financial inspection and monitoring system last December. In line with the plan, it has decided to strengthen inspection of Japanese banks' overseas offices, and has drawn up the checklist in light of the

Bank for International Settlements' (BIS) guidelines for market risk management released in 1994.

There are two kinds of list: one is designed for inspection of Japanese banks' domestic headquarters; and the other is for their overseas branches. Specifically, the 32-point list mainly asks the following: 1) At overseas offices, do sections in charge of trading and sections in charge of handling vouchers check up each other?; 2) Do they have the system for reporting trading data to branch heads?; and 3) Do they carry out external audits?

The MOF also seeks to improve inspection fairness and objectivity by introducing the checklist, the common inspection standard.

Japan: Ruling Coalition Firms Up To Adjust Deposit Insurance Amendment

962A0054A Tokyo NIHON KEIZAI SHIMBUN in Japanese 1 Apr 96 p 1

[Unattributed article: "Coalition To Adjust Deposit Insurance Amendment"]

[FBIS Translated Text] On 31 March, the ruling coalition parties firmed up a plan to delete a portion that deals with injection of public funds into failed credit unions from an amendment to the Deposit Insurance bill to be presented before the Diet shortly by the Finance Ministry. The coalition parties agreed to put off handling the credit union issue until the next ordinary session of the Diet in the coming year. Social Democratic Party (SDP) Chairman Tomiichi Murayama and Sakigake [Harbinger] leader Masayoshi Takemura reached this accord at a meeting that same day, and therefore a Liberal Democratic Party (LDP) leader (a leading Policy Affairs Research Council member) also judged that "this is an inevitable conclusion." This move is also likely to affect the future course of a Diet debate on measures to deal with jusen (housing loan companies), over which confrontation has been continuing between ruling and opposition parties.

The meeting that day between SDP Chairman Murayama and Sakigake Leader Takemura was held at a hotel in Gifu City where they were on a stumping tour. They agreed to delete from the amendment to the Deposit Insurance Law the portion providing that a fiscal measure shall be taken to deal with bankrupt credit unions. They also agreed that the handling of the credit union issue would be put off until the next ordinary session of the Diet.

As for throwing treasury funds into credit unions, Mr. Murayama pointed out that "there is no need to decide future cases now." At an expanded meeting

of its Policy Research Board on 29 March, Sakigake showed its general approval of the three finance-related bills including this amendment bill; nevertheless, Mr. Takemura basically agreed to Mr. Murayama's position, saying: "The tax money injection should clearly be mentioned in the bill, but there is no way of pushing this point through as long as no consensus is reached among the three ruling parties."

Within the LDP as well, the view of the majority is that "our hands are already full with the jusen issue, and if we further plan to throw treasury funds into credit unions, we would hardly be able to obtain the understanding of public opinion" (a leading Policy Affairs Research Council member).

As soon as next week begins, the ruling coalition parties plan to make their final adjustment of views to delete from the amendment to the Deposit Insurance Law the portion related to injecting treasury funds into bankrupt credit unions.

At the current session of the Diet, they are to devote their full efforts to passing the fiscal 1996 budget and the jusen handling measures.

On the other hand, Shinshinto [New Frontier Party] has established a strategy which sets a debate on the three financial bills as the precondition for voting on the fiscal 1996 budget bill; the party is likely to step up its offensive, with the ruling parties firming up a plan to rewrite the amendment to the Deposit Insurance Law.

Japan: Association Says PC Shipments Hit Record in FY95

*OW1405091596 Tokyo KYODO in English
0839 GMT 14 May 96*

[FBIS Transcribed Text] Tokyo, May 14 KYODO — Japan's overall shipments of personal computers (PCs) in fiscal 1995 to last March 31 surged 54.5 percent over the preceding year to 6,919,000 units, hitting a record for the third straight year, an industry association said Tuesday [14 May].

The shipments were valued at 1.63 trillion yen, up 42.5 percent, the Japan Electronic Industry Development Association said.

Including peripheral equipment, the shipments were worth 2.22 trillion yen, up 35.2 percent, the association said.

Domestic shipments ballooned 70.3 percent in volume to 5,704,000 units, growing in value 50.5 percent to 1.39 trillion yen, it said.

Overall domestic shipments, including peripheral equipment, came to 1.81 trillion yen, up 43.2 percent.

Following the release last November of the Japanese-language version of windows 95 — the PC operating system software introduced by Microsoft Corp., demand from both corporate and individual users grew rapidly in Japan, the association said.

Exports accounted for 1,215,000 units worth 237.2 billion yen, up 7.4 percent in volume and 8.6 percent in value, it said.

Including peripheral equipment, exports rose 8.7 percent to 412.2 billion yen, it said.

For fiscal 1996 which started April 1, overall shipments are forecast to come to 8.67 million units with their value, including peripheral equipment, estimated at 2.42 trillion yen, the association said.

Of the total, domestic shipments are predicted to account for 7.5 million units, worth of 2.07 trillion yen, it said.

The association's report totaled shipments by 23 major Japanese PC manufacturers and accounted for 95 percent of Japan's PC shipments, it said.

Japan: Semiconductor Industry Conference Opens in Tokyo

*OW1305140496 Tokyo KYODO in English
1327 GMT 13 May 96*

[FBIS Transcribed Text] Tokyo, May 13 KYODO — Representatives from Japanese electronics makers opened a two-day conference in Tokyo on Monday [13 May] to review future growth and structural changes in the semiconductor industry.

Shoji Hirabayashi, managing director of Mitsubishi Electric Corp., told the opening session that a combination of 1-gigabit dynamic random access memory chips will play a role similar to the human brain.

Hirabayashi predicted that production of high value added memory chips with logic functions will emerge as the mainstay product of the electronics industry in the year 2000.

The conference was organized by Gartner Group Japan K.K., formerly Dataquest Japan K.K., the Japanese subsidiary of the major U.S. electronic industry research agency.

Japan: Hashimoto Proposes Regrouping of Government Offices

*OW1305142296 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 10 May 96 Morning Edition p 1*

[FBIS Translated Text] The draft mid-to-long-term policy platform (Hashimoto vision), which will be proposed in preparation for the next lower house election, has

come to light. In view of the forthcoming 21st century, it includes comprehensive policies, such as the drastic streamlining of the administrative system to implement economic structure reform. The centerpiece is reorganization and retrenchment of government offices. In particular, simultaneously with relocation of the capital functions, government offices will be reorganized into seven sectors, such as "foreign affairs," and "people's livelihood." In a bid to put a brake on an increase in financial deficits, a numerical target correlating with the macroeconomic indicator will also be introduced. It promises to stop heavy public investment in public works projects, and to put taxes, with the highest priority, into projects for promoting science and technology, as well as research and development programs.

The draft has been formed by the Liberal Democratic Party (LDP) Administrative Reform Promotion Headquarters (headed by Kiyoshi Mizuno). The LDP believes that it will clearly show "Hashimoto colors" in terms of policies, and that it will be a card for victory in the forthcoming lower house election. With its mind on the timing of dissolving the lower house, the headquarters seeks to draw up the final proposal by the end of this year.

The draft proposal titled "Basic Direction of the Hashimoto-Led Administrative Reform" emphasized that, in view of the recovery of the U.S. economy and Asian countries' growing economy, the "certain administrative system should be established to prepare for the mega-competition era." It declares that roles the government has so far assumed will be "thoroughly reviewed." In particular, it suggests that central government offices be reorganized into seven fields to lighten the people's burden by scaling down organizations and to rectify "bureaucratic sectionalism." It also presents the scenario that reorganization of the central government agencies will be carried out by taking advantage of the transfer of capital functions, including the Diet, as early as 2010.

The amount of outstanding government bonds is likely to be about 240 trillion yen by the end of FY96. To prevent the national financial situation from worsening further, the proposal calls for setting "reasonable goals" based on macroeconomic indicators. Specifically, efforts will be made to keep the ratio of financial deficits to GDP (gross domestic product) below a certain ratio.

With an aim of concentrating investments onto projects related to people's livelihood by reviewing the existing public investment system, the proposal vows to "review subjects of investments" proposed in the New Public Investment Basic Program (for fiscal 1995-2004 with total appropriations of 630 trillion yen). At the same time, it

gives high priority to projects for promoting science and technology, as well as research and development programs, saying that "necessary funds should be invested in those projects to enrich them."

The investment and financing system based on postal savings and other funds is known as the "second budget." The proposal pledges to restudy the "desirable quantity ceiling on it," while reviewing measures to secure funds. As a step to promote structure reform, it suggests reviewing and frontloading the deregulation promotion program for financial, securities, and telecommunications sectors, "strategic sectors serving as infrastructure for overall economic operations." The draft then suggests that the system for deciding various public utilities charges, government-affiliated financial institutions' interest rate, and charges for administrative services will be "improved to promote lowering costs."

The vision also clearly promises to abolish the Home Affairs Ministry's system for granting permits for issuance of local governments' bonds, as well as government-subsidized projects and the system for assigning duties to local governments.

Japan: Kajiyama Supports Ban on Employment of Foreigners

*OW1405101296 Tokyo KYODO in English
0905 GMT 14 May 96*

[FBIS Transcribed Text] Tokyo, May 14 KYODO — Chief Cabinet Secretary Seiroku Kajiyama voiced support Tuesday [14 May] for the four-decade-old government stance requiring Japanese nationality for employment in the central and local governments.

"You should not think the 1953 statement is no good because it is old," the top government spokesman said in a press conference, commenting on Monday's decision by the personnel commission of the city of Kawasaki, Kanagawa Prefecture, to scrap the nationality requirement for municipal public servants.

Kawasaki is the first major city to eliminate the requirement.

The issue should be dealt with carefully, since non-Japanese public servants could be promoted in the future to positions requiring "loyalty to the state," Kajiyama said.

Kajiyama, on the other hand, himself posed the question of whether it is appropriate to exclude non-Japanese residents from getting jobs in local governments, although he failed to offer an answer.

The Kawasaki panel recommended the nationality requirement be abandoned on condition that non-Japanese

employees would not be promoted to posts beyond section chief so that they will not be involved in exercising administrative authority.

Kajiyama also said there are many non-Japanese residents, apparently referring to ethnic Koreans, who make no attempt to receive Japanese nationality.

"If some people take Japanese nationality, it shows they have a strong feeling toward Japan," he said.

The Home Affairs Ministry, fearing other local governments may follow suit, is continuing to try to get Kawasaki to change its decision about dropping the nationality requirement.

Japan: TRDI Developing New Field Commo Equipment

*OW1005124896 Tokyo ASAGUMO in Japanese
25 Apr 96 p 6*

[Unattributed article in the "Defense Technology" column]

[FBIS Translated Text] The Defense Agency's Technical Research and Development Institute [TRDI] from this year is beginning development of a new field wireless unit for use by the Ground Self-Defense Force [GSDF], aiming to complete typification by 2001. As it has become difficult to respond to diverse communications needs with the Type 85 field wireless unit currently in use, the new wireless unit will offer more channels, have an electronic counter counter measures (ECCM) capability, be highly secure in terms of enemy interception, be capable of transmitting multimedia data, and offer other special features. Because it will make field communications more sophisticated all around, in addition to aiding troops on the battlefield, the new equipment should also help disaster relief units deploy more smoothly in emergencies.

GSDF field wireless equipment of this type is largely employed by units below the division level for transmitting commands. Because of its use under combat conditions, the device must be able to conform to rigorous demands, prove durable against shocks and weather, and hold up under the most exacting of conditions. The Type 85 currently in use represents an upgraded form of the Type 65 unit and comes in four versions: a wireless unit for installation in helicopters (official name is JARC-F20/F30), vehicle wireless units for use by commanding officers at the company level or above (JVRC-F10/F11/F20), the portable wireless unit No. 1 for use by platoon commanders (JPRC-F10/F11), and the portable wireless unit No. 2 for use by squad or detachment commanders (JPRC-F20/F21). The frequency band for the Type 85 is 28-60 megahertz VHF, and 1,280 FM channels can

be used. In terms of power output, that for the wireless model used on vehicles is several dozen watts, 10 watts for the one used on helicopters, while that for the No. 1 and No. 2 portable units is 0.7 watts. Moreover, among the four models, voice communications are guaranteed secure for the vehicle and portable models, and transmission of still images in the form of data and facsimiles is also possible.

However, it has been a dozen or more years since the development of the Type 85 unit. In the intervening years there have been spectacular developments in the field of communications technology. Consequently, the Type 85 has numerous deficiencies in terms of state-of-the-art communications technology capabilities. They include: (1) its ECCM capability is limited, (2) the data transmission speed is slow, (3) the number of available channels are few, (4) maintenance costs are high, and (5) the units suffer from relatively poor operability.

Because of this situation, the GSDF Ground Staff Office from FY1993 embarked on research related to the concept of a new field wireless unit. As a result of research conducted within TRDI from FY1994 to FY1995, it was decided to commence development of the new unit from FY1996. Approximately 20 percent

More Compact, Lighter Than Type 85

The new field wireless unit, as with the Type 85 unit, will come in four models. Its special features will include, as with civilian mobile telephones, use of the PSK (pulse shift keying) method to allow transmission of large amounts of information over a single frequency. Moreover, compared to the Type 85's exclusive band of 16 kilohertz, the new unit will have an exclusive band of only 8 kilohertz. Channel spacing will also be reduced by half from 25 kilohertz for the Type 85 to only 12.5 kilohertz. Thanks to the use of these new methods, data transmission will be considerably faster, with the current per second information volume of 1,200 bits being increased by four times to 4,800 bits.

The number of available channels is also being increased from 1,280 to 2,500.

In addition, special sound signaling technologies are being used for digitization of sound communications for faithful transmission even with poor quality circuits. Moreover, frequency-hopping technologies are being incorporated for automatic frequency changes in the event of jamming or interference from radio waves. Other technologies being utilized will make it possible for a single unit to receive messages from multiple wireless systems. Secondary batteries will also make possible repeated continuous use through recharging. Despite these features, the new unit is designed to be

roughly 20 percent more compact and lighter than the Type 85 unit. Furthermore, power will be increased to make possible the adjunct use with it of electronic notebooks and other portable information tools, and linkups with personal computers for data transmission, or the transmission of moving images.

According to the plan, testing of the new model will begin in FY1996, with testing of the basic systems design and antenna. That will be followed in FY1997 by second-stage testing of the four separate models, attachment devices and testing measurement equipment. Technical testing will be conducted from FY1998 to FY1999. Then practical testing is scheduled to take place from FY1999 to FY2000. Finally, typification of the equipment will be formalized in FY2000; field units will begin to receive the new equipment in FY2001.

Use of electronic conversion devices will allow for integration of the new field wireless units with the DICS division-level communications systems. Moreover, the future concept here being pursued by the GSDF is that by linking the new field wireless equipment and division-level communications systems with the satellite simplified communications system slated for development beginning this fiscal year, it will be in a position to make the interplay between its field communications systems and division-level communications systems more sophisticated. That in turn will make command and control communications for troops in the field or disaster relief detachments speedier within a broad area and definitely more comprehensive.

Japan: KHI Spacecraft Designer on Projects, Part 1
OW1405082996 Tokyo WING in Japanese
20 Mar 96 p 5

[First of two-part interview with Yoshiro Matsuzaki, general manager, Spacecraft Design Department, Space Division, Kawasaki Heavy Industries, Ltd. Originally titled "Supporting ALFLEX Flight Testing: JEM Development Advancing Smoothly Toward EM Approval" Matsuzaki's first name listed as "Yoshihisa" in part 2]

[FBIS Translated Text] [WING] Let us begin with recent topics. What are the details of the assignment of HYFLEX and ALFLEX tasks and details of your flight test support?

[Matsuzaki] With HYFLEX, we are responsible for the assembly of the rear of the fuselage, ceramic tiles, and elevons made of carbon/carbon composite materials. The overall assembly is the responsibility of the National Aerospace Laboratory [NAL], National Space Development Agency [NASDA], and Mitsubishi Heavy Industries [MHI]. We also dispatched personnel for work at the launch site. We heard that the launch

and hypersonic flight on 12 February went as expected and we understand that the sections for which we are responsible functioned without any trouble. With ALFLEX, we are responsible for the assembly of the ground facilities and the mothership system (related to the helicopter for suspension). As the ground facilities include a wide range of equipment, including the ground communications systems (telemetry, command), ground measuring systems (radar, laser tracker, TV, etc.), flight support systems (GPS, MLS, etc.) and data processing systems (recording, reproduction, processing and computing units), we are presently transporting the equipment to be installed at Woomera Airport in Australia. The acceptance facilities works have already been completed and we will start installation and adjustments by the end of April.

As for the helicopter, we will send the KV-107 owned by Kawasaki Helicopter Systems, our subsidiary, by the end of March. The actual flight testing is scheduled from early May to early August under the supervision of the NAL and NASDA. We also plan to dispatch more than 10 persons to support the testing and information gathering.

As for the fuselage of ALFLEX, we are responsible for design support, communications and measuring systems and antenna testing, but the fuselage assembly is the responsibility of Fuji Heavy Industries [FHI].

The domestic suspension test of ALFLEX was performed using KHI's First Nagoya Plant as the base, and the final check to see if stable flight and control are possible with a single-cable suspension was completed in January without trouble. In the domestic preparatory testing, we were able to confirm a considerable number of items including communications with the ground equipment and information exchange of DGPS with ground stations.

The only thing left for us may be to test unmanned automatic landing operations from separation to landing in Australia. ALFLEX is separated from a helicopter at an altitude of approximately 1,500 meters at a speed of 90 knots, then lands after flying on its own.

We think that, with HYFLEX and ALFLEX, we could achieve considerable experience in the field of spacecraft by making use of our aircraft technology.

[WING] What are your expectations for the HOPE-X to follow them?

[Matsuzaki] Based on the results achieved through HYFLEX and ALFLEX, the development phase of HOPE-X will be upgraded to the developmental research phase from FY1996, and we expect much of this is an advance by one step toward HOPE in the future.

As we heard that the basic design is going to start, we hope that this will advance to the actual development phase. The HOPE-X design support team was organized in MHI's Nagoya Aerospace Systems Works in December 1995. We are also participating in the joint design process by assigning 13 persons, Structure Section Chief as well as the staffs of the Systems Section and Aerodynamics Section. The work presently underway is called the "HOPE-X System 2," which lasts until April. In addition to the team working in the design office of the Oe Plant in MHI's Nagoya Aerospace Systems, KHI staff in our Gifu Plant also participate in the project and co-operate with the team.

In the future, after a year of basic design and another year of detailed design, the manufacturing of HOPE-X will start by setting the launch schedule at 2000. I think this schedule is fairly tight. The present theme for the design team is to make the system design more detailed, and we will devote ourselves completely to this, aiming at the PDR which is expected in around fall 1997.

As HOPE is an experimental craft leading to a made-in-Japan reusable transport system, expectations for HOPE are very high.

[WING] How is the progress of the space station JEM, for which HOPE is expected to play the role of a space shuttle?

[Matsuzaki] In the JEM (Japanese Experiment Module) project, two systems—including the mechanism system and environment control system—are assigned to us. The name of the mechanism system may be hard to understand, but it can be divided into two parts, the airlock mechanism for the exchange of items between the JEM and space (there is no human passage) and the coupling mechanism connecting the pressurized and exposed modules.

The environment control system controls the environment inside the JEM and consists of the air-conditioning system controlling the temperature and humidity. A redundant system is formed by packaging two air-conditioners and is accommodated under the floor of the JEM. The carbon dioxide elimination equipment was also included at the beginning but it ended only as technical study in the initial stage because NASDA later decided not to provide the JEM with carbon dioxide elimination equipment. However, as the treatment of harmful gases and water form an important part of life-support technology, which is generically called the CLSS (Environmental Control Life Support System), we were able to gain much technical experience in this field.

As for the progress of different phases, the present EM (Engineering Model) production phase has achieved

completeness almost equivalent to PM (Proto-Model) and the approval testing is almost complete. We are now designing the FM (Flight Model) for the stage after post-approval auditing, and some parts of the FM have already started to be produced. Delivery to NASDA will take place mainly in FY1997, but earlier items will be delivered in FY1996. We are now entering the final stage and we are trying to do everything as quickly as possible.

Now that we have four years before the first launch of the JEM, there has been no deadlocks and we feel everything has gone smoothly.

With manned activities, the selection and training of astronauts will be more important in the future to prepare for the operation stage after the launch and in-orbit assembly of the JEM. We at KHI have experience in dealing with diverse ground training equipment since the selection and training equipment for Mr. Mori and other astronauts. NASDA is planning a wide range of manned training and research facilities, and the "sealed environment adaptation training equipment" delivered to NASDA's Tsukuba Space Center in March provides a sealed environment with a size equivalent to that of the JEM pressurized module, in which people will live for fairly long periods to obtain medical data on physiological and psychological adaptability in such an environment as well as to train flight personnel.

The WETS which attracted attention in 1995 when it was delivered to the Tsukuba Space Center had been manufactured by our company's Iron Structures Division. It simulates weightlessness condition in water and is used in the proving of extravehicular activities including the construction of the JEM. (To be continued)

North Korea

DPRK: MINJU CHOSON Warns ROK Against Starting War

SK1405090596 Pyongyang KCNA in English
0839 GMT 14 May 96

["MINJU CHOSON on Military Drill in S. Korea" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 14 (KCNA) — The Kim Yong-sam group of South Korea, in the wake of the military exercise "96-Ssangyong", are beginning another military drill codenamed "Hwarang" throughout Seoul today. The drill, which will continue till May 18, involves puppet army soldiers, "reserve troops", "civilian defence corps" members, police and others, 170,000 in all. This clearly shows that they are desperately trying to unleash a war against the North.

The newspaper MINJU CHOSON today says this in a commentary.

Though the Kim Yong-sam group are seeking a way out in a war against the North, it will only precipitate their doom, the daily says, and continues:

As we have stated more than once, we will never tolerate any provokers. All of them who provoked our socialist homeland have been sternly punished.

It goes without saying that if the Kim Yong-sam group attack the North, they will be annihilated.

If the puppets start a war against the North, in defiance of our repeated warnings, it will be too late for them for regret.

DPRK: KCNA Calls Kim Yong-sam 'King of Irregularities'

SK1405090396 *Pyongyang KCNA in English*
0831 GMT 14 May 96

[FBIS Transcribed Text] Pyongyang, May 14 (KCNA) — The traitor Kim Yong-sam called a "meeting of chief secretaries of Chongwadae [presidential offices]" on May 9 and prattled that he would "liquidate irregularities and corruption during the remaining days of his office," a Seoul-based radio reported.

This is nothing but a foolish jargon to cover up his dirty nature as the king of irregularities and corruption, pacify the anger of the people and prolong the remaining days of the "civilian government" driven to a tight corner at any cost.

South Korean people are now turning out in a powerful struggle to remove the traitor Kim Yong-sam, king of irregularities and corruption who far surpasses the preceding dictators.

Kim Yong-sam must stop playing a poor deceptive drama, openly confess the background of illicit money he has raked through irregularities and corruption and step down from power.

DPRK Daily Denounces Kim Yong-sam's 'Liquidation of Corruption'

SK1405042396 *Pyongyang KCNA in English*
0325 GMT 14 May 96

["Kim Yong-sam's Ballad About 'Liquidation of Corruption' Denounced" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 14 (KCNA) — Some time ago, the traitor Kim Yong-sam prattled about "liquidation of irregularities and corruption", "extrication from rotten politics in which slush fund is served" and "clear and clean politics".

Commenting on this fact, NODONG SINMUN today in a signed commentary says:

No matter how loudly the traitor Kim Yong-sam advertises about hackneyed deceptive phrases of "liquidation of corruption" and "clean politics", he cannot cover his dirty nature as the kingpin of irregularities and corruption.

He is a political prostitute without an equal in the world, who joined hands with military dictatorship with the financial backing from the "Fifth and Sixth Republics". In 1992, he won in the "presidential election" with the help of a colossal amount of secret fund from No Tae-u. After he took office, he earned an astronomical sum of secret money in reward for conniving at and backing the crimes of the traitors Chon Tu-hwan and No Tae-u, who are responsible for the Kwangju massacre and are famous for their irregularities and corruption.

Kim Yong-sam, once supported by boxes of anchovy provided by his father, has become the first richest man in South Korea in three years since he took office. So, it is told that he would not stop irregularities, frauds and stealings before he dies.

He must not try to prolong his dirty days by deceiving the people but face the judgment by the people.

DPRK: VNS Claims Kim Yong-sam Appointing Next Presidential Candidate

SK1405093296 *Pyongyang KCNA in English*
0845 GMT 14 May 96

[FBIS Transcribed Text] Pyongyang, May 14 (KCNA) — The rumour is afloat that the traitor Kim Yong-sam appointed Yi Hoe-chang as the next-term "presidential" candidate, and is backing him zealously, Seoul-based radio Voice of National Salvation [VNS] said.

According to an associate of Yi, Kim Yong-sam had an exclusive meeting with Yi right after the "general elections", promised him that he would appoint him as the "presidential" candidate and make every possible effort to support him for his "return" in the elections and asked Yi to take care of him after his term of office in return for his backing. Yi vowed to assume full responsibility for the safety of Kim Yong-sam after his term of office and begged for his active support.

After the exclusive meeting Kim Yong-sam said that debate on the appointment of the next-term "presidential" candidate within the party was premature and put the lid on all discussions in this regard, in a bid to keep Yi's rivals under control within the party.

It is said that as part of Kim Yong-sam plot for the election of Yi Hoe-chang as the "president" of South Korea, news media carry articles exalting Yi.

Some senior officials of the "New Korea Party" who want to run for the "presidential elections" denounced Kim Yong-sam for his sinister intention, lamenting that they made a big mistake by believing in Kim Yong-sam, who makes himself infamous with treachery, and are trying to defect from the "New Korea Party", the radio said.

It is a unanimous diagnosis of political circles that the collapse of the "New Korea Party" is a matter of time, the radio added.

DPRK: KCNA Reports on ROK Diplomat's Arrest in Documents Case

SK1405092296 *Pyongyang KCNA in English*
0829 GMT 14 May 96

[FBIS Transcribed Text] Pyongyang, May 14 (KCNA) — The Kim Yong-sam traitorous clique, on May 10, arrested and escorted to South Korea Choe Sung-chin, former executive official of the South Korean puppet embassy in Wellington, who informed the vice-president of the opposition Democratic Party of the clique's plots over the "local autonomy election" held last year, according to a radio report from Seoul.

New Zealand, on May 9 a day before its prime minister left for South Korea, served Choe, who filed an application for refugee status in the country, a deportation order. The fascist clique took the opportunity to arrest him and bring him to South Korea, being handcuffed.

Interviewed by reporters in South Korea, Choe said he never forged documents but handed over a document from the puppet foreign ministry to the vice-president of the Democratic Party. He also said the truth will be made clear.

The puppets are keeping him behind bars and scheming to penalize him.

The incident will screw up attacks and counterattacks between the ruling party and the opposition parties.

DPRK: ROK University Students Hold Rally on 'May Struggle'

SK1405041096 *Pyongyang KCNA in English*
0237 GMT 14 May 96

[FBIS Transcribed Text] Pyongyang, May 14 (KCNA) — Rallies for proclaiming may struggle were held by students throughout South Korea.

Over 200 students of Tanguk University in Seoul held a rally for proclaiming may struggle in the campus on

May 9, demanding revelation of the truth of the "presidential election" fund in 1992 and arrest and punishment of those responsible for the May 18 Kwangju massacre committed in 1980.

On the same day students of Korea University swarmed toward the U.S. Embassy in Seoul and staged a surprise demonstration condemning the United States for wire-pulling the Kwangju massacre.

The General Student Council of Pusan University also held a rally for proclaiming may struggle with the participation of its students.

DPRK: ROK Opposition Protests 'Election Frauds'

SK1105084496 *Pyongyang KCNA in English*
0749 GMT 11 May 96

[FBIS Transcribed Text] Pyongyang, May 11 (KCNA) — The "National Congress for New Politics," the "United Liberal Democrats" and the Democratic Party of South Korea held a meeting at the "National Assembly" on Wednesday and decided to make a joint investigation into "election" frauds by the Kim Yong-sam group, a Seoul-based radio reported.

The opposition parties agreed to form a joint fact-finding group and launch the investigation in 25 areas of South Korea. They also agreed that lawyers affiliated with them would conduct joint legal activities.

On the same day, the Democratic Party held a rally protesting against the Kim Yong-sam group's moves to destroy opposition parties.

Meanwhile, the "United Liberal Democrats" decided to stop all dialogue with the "New Korea Party" and demanded a revision of all the "election laws" including the "presidential election law" to fundamentally prevent "election" rigging.

DPRK: Trade Deficit 'Widening' in ROK

SK1405093796 *Pyongyang KCNA in English*
0851 GMT 14 May 96

[FBIS Transcribed Text] Pyongyang, May 14 (KCNA) — South Korea's deficit in trade is still widening, driving the puppet clique into a crisis.

This year the deficit was 1,920 million U.S. dollars in late January and came to 5,850 million U.S. dollars in late April.

The puppet clique have set the limit of yearly red ink at 7,000 million dollars. However, the trade losses have already accumulated to 84 percent of the set line.

So they are crying out in alarm that if the present situation fails to be improved, the trade deficit will exceed ten billion dollars by the end of the year.

In particular, they suffered a deficit of two billion dollars in April alone, which was a "record high" in monthly deficit.

DPRK: Koreans in China Deny Assaults on Students in Japan

*SK1105085396 Pyongyang KCNA in English
0747 GMT 11 May 96*

[FBIS Transcribed Text] Pyongyang, May 11 (KCNA) — A meeting of China-resident Koreans flailing the assaults of the Japanese reactionaries against Japan-resident Korean students was held here on May 9.

A report was made at the meeting by Hwang Yong-tu, chairman of the Liaoning Provincial Association of Koreans in China under the National Alliance for the Country's Reunification (Pomminnyon), followed by speeches.

The reporter and speakers denounced as national chauvinist behaviour the assaults and wild remarks by the Japanese reactionaries against the Japan-resident Korean students that occurred recently one after another.

The statement adopted at the meeting strongly demanded that the Japanese authorities take a perfect measure to prevent any such cases, which are unfriendly and abnormal, against the Korean students.

In particular, the Japanese Government should suspend, at once, all moves against the Democratic People's Republic of Korea and the General Association of Korean Residents in Japan (Chongnyon), the statement demanded.

DPRK: Koreans in CIS Protest Treatment of Korean Students in Japan

*SK1105080596 Pyongyang KCNA in English
0744 GMT 11 May 96*

["Letter of Protest to Japanese Diet and Government" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 11 (KCNA) — The International Korean Association (Unity) sent a letter of protest to the Japanese Diet and Government on May 7, in which it expressed national indignation, in the name of the Koreans living in the region of the Commonwealth of Independent States, at the assaults of Japanese right-wing reactionaries against Japan-resident Korean students that have been committed one after another nowadays.

Koreans now living in Japan were forced to live there against their will. In view of this historical fact alone, the Japanese government should certainly take a correct policy and a humanitarian stand toward Koreans in Japan in the present civilized world and should ensure all human rights to them, the letter said.

It held that the Japanese Diet and Government should certainly punish the criminals who assaulted Japan-resident Korean students.

DPRK: Widow of Japan's Ex-Premier Urges 'Comfort Women' Compensation

*SK1305115496 Pyongyang KCNA in English
0835 GMT 13 May 96*

[FBIS Transcribed Text] Pyongyang, May 13 (KCNA) — The widow of former prime minister of Japan, Mutsuko Miki, last Friday her [as received] called upon the government to compensate Asian women forced into sexual slavery for the Japanese soldiers during World War II, according to a report.

She said she was disappointed at the government's refusal to compensate them.

Compensation money to the victims must come from the national treasury, she said, adding that to that end she would conduct independent activities to have the Diet adopt a resolution.

DPRK: Kim Yong-nam Meets Syrian Vice President, Departs Damascus

*SK1405005696 Pyongyang Korean Central
Broadcasting Network in Korean
2200 GMT 13 May 96*

[FBIS Translated Text] Kim Yong-nam, DPRK vice premier and foreign minister, and his entourage met and held talks with Syrian Vice President 'Abd-al-Halim Khaddam on 9 May. The vice president said that friendship and cooperation between Syria and the DPRK was provided by President Hafiz al-Asad and His Excellency the great President Kim Il-song, and strengthened by their teachings. He added: We believe such relations will continue to grow under the leadership of President Hafiz al-Asad and the respected and beloved His Excellency Leader Kim Chong-il [kyongaehanun Kim Chong-il yongdoja kakha]. Syria is waging an arduous struggle against the imperialists and Israel in the Middle East, and the DPRK is waging one against the imperialists and the reactionaries in the Far East. We believe the just cause of the two countries will absolutely achieve victory. Any difficulty cannot bend our will; the just struggle will achieve victory. We can overcome any difficulties if we develop friendship

and cooperation in accordance with the intention of the two country's leaders [yongdojadurui]. Please convey my wishes for the long life of the respected and beloved General Kim Chong-il.

On the same day, the foreign minister and his entourage laid a wreath at the martyrs' cemetery on the outskirts of Damascus.

On 11 May, the Syrian foreign minister arranged a banquet for the DPRK foreign minister.

On 12 May, the foreign minister and his entourage concluded the Syrian visit and left Damascus.

DPRK: Ambassador Pays Farewell Call on Nepal Premier

*SK1305115696 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 10 May 96*

[FBIS Translated Text] DPRK Ambassador Im Hoesong made a farewell visit to the Nepalese Prime Minister (Cher Dahadr Bihepa) on 6 May. At the meeting, the ambassador conveyed greetings from the great leader [yongdoja] Kim Chong-il to Prime Minister (Cher Dahadr Bihepa). The prime minister expressed deep gratitude and asked the ambassador to send his wholehearted greetings for longevity to the great leader Kim Chong-il. The prime minister said that Nepal values friendly relations with the DPRK and that relations between the two countries will continue to develop favorably. He expressed the hope that tensions on the Korean peninsula would be eased soon and a peaceful reunification of Korea achieved. He also expressed the hope that the DPRK will be further prosperous under the wise leadership of the great leader His Excellency Kim Chong-il.

DPRK: WPK Greet Malaysia Ruling Party's 50th Anniversary

*SK1105085296 Pyongyang KCNA in English
0751 GMT 11 May 96*

[FBIS Transcribed Text] Pyongyang, May 11 (KCNA) — The Central Committee of the Workers' Party of Korea today sent warm congratulations to the Supreme Council and members of the United Malay's National Organization (UMNO) of Malaysia on its 50th founding anniversary.

The WPK Central Committee said in its message of greetings that over the past 50 years since its foundation the organisation has made many achievements in its efforts to consolidate national independence and achieve stability and independent development of the country.

The message expressed the belief that the friendly and cooperative relations between the parties and peoples of the two countries would further develop in the idea of independence, peace and friendship and wished them greater success in their endeavours for strengthening of the organisation and the prosperity of the country.

DPRK: Lao, Japanese Groups Arrive in Pyongyang 14 May

*SK1405104396 Pyongyang KCNA in English
1015 GMT 14 May 96*

[All names as received]

[FBIS Transcribed Text] Pyongyang, May 14 (KCNA) — A delegation of the Kaysone Phomvihane Museum Construction Committee of Laos led by its Chairman Bouasy Chaleunsouk and a delegation of senior public relations officials for the Ministry of Foreign Affairs of Japan headed by Shoichi Yasugawa arrived here today.

DPRK: Youth League Delegation Returns From Russia, Belarus

*SK1305115596 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 10 May 96*

[FBIS Translated Text] A DPRK delegation of the Kim Il-song Socialist Youth League [KISSYL] headed by Choe Hyon-tok, secretary of the KISSYL Central Committee, returned home by train today after visiting Russia and Belarus. Choe Hwi, secretary of the KISSYL Central Committee, greeted the delegation at Pyongyang Station.

DPRK: Pakistani, Yugoslav Communists Express Support for Peace Proposal

*SK1205132696 Pyongyang KCNA in English
0740 GMT 12 May 96*

[FBIS Transcribed Text] Pyongyang, May 12 (KCNA) — The Great Leader Comrade Kim Chong-il received a message from the Central Executive Committee of the Pakistan People's Party supporting a proposal of the Government of the Democratic People's Republic of Korea for the conclusion of a tentative agreement for a new peace mechanism in the Korean Peninsula.

The establishment of a new peace mechanism is the most crucial matter for peace not only in Asia but in the rest of the world, the message says, and continues:

We consider that the signing of a peace agreement between the DPRK and the United States of America is the most reasonable and just thing to realise the Korean people's desire to remove the root cause of war in

the Korean Peninsula and meet international demand congenial to the trend of the present time.

The message expresses firm solidarity and support for the DPRK's peace overture and the Korean people's sincere efforts to carry it into effect.

Meanwhile, messages were sent to Comrade Kim Chong-il by president of the Presidency of the Communist Workers' Movement of Yugoslavia Stevan Mirkovic and chairman of the Central Committee of the Brazilian Communist Party Joao Amazonas supporting the Korean people in their efforts for the peace and reunification of the country.

DPRK: Korea-Italy Friendship Group Meets in Rome

*SK1305115296 Pyongyang KCNA in English
0848 GMT 13 May 96*

[FBIS Transcribed Text] Pyongyang, May 13 (KCNA) — A friendly gathering with a delegation of the Korea-Italy Friendship Association was sponsored by the Italian Committee for Reunification and Peace of Korea in Rome, Italy on May 3.

Invited to the gathering were members of the delegation. Present there were Secretary General of the Movement for Peace and Socialism of Italy Roberto Gabriele and prominent figures of political, public and the press circles.

Roberto Gabriele said in his speech that the revolutionary cause of chuche started by the Great Comrade Kim Il-song is being successfully carried forward and accomplished under the leadership of the Great Comrade Kim Chong-il in the DPRK.

The victorious advance of socialist construction in Korea is powerfully encouraging the Italian socialist activists and supporters aspiring after socialism and communism, he noted.

A letter to Comrade Kim Chong-il was adopted at the gathering.

DPRK: Mexican Party Leader Comments on Chuche Idea

*SK1405093596 Pyongyang KCNA in English
0849 GMT 14 May 96*

[FBIS Transcribed Text] Pyongyang, May 14 (KCNA) — Alberto Anaya Gutierrez, member (leader) of the coordination commission of the National Political Commission of the Workers' Party of Mexico, noted that they were greatly encouraged by the developments of the Democratic People's Republic of Korea.

He, who recently visited the DPRK as the head of the delegation of the party, said he could know well that the DPRK is a powerful and dignified country.

Anyone can know well that socialism is the only way to provide people with freedom and happiness if he visits the DPRK, he said, and continued:

"Korea exemplarily shows the world people the way to liquidate exploitation of man by man and accomplish complete liberation of humankind.

"Today Korea is firmly advancing socialism, solving everything by herself.

"The chuche idea is the sole one for human liberation and a great idea of universal significance, which enables every country to fulfil its revolution from an independent stand to suit its own conditions.

"Our party is waging a revolutionary struggle, regarding the chuche idea as our guiding idea.

"The great leader Comrade Kim Chong-il has wisely led the socialist construction, enriching the chuche idea and turned Korea into the only centre of the world socialist movement."

DPRK: Kim Chong-il Receives Messages From Foreign Leaders

*SK1405024196 Pyongyang KCNA in English
0230 GMT 14 May 96*

[FBIS Transcribed Text] Pyongyang, May 14 (KCNA) — The great leader Comrade Kim Chong-il received a message of greetings from Raul Castro Ruz, minister of the Revolutionary Armed Forces of Cuba, on the occasion of the 64th anniversary of the foundation of the Korean People's Army.

The message expresses the belief that the invincible friendship between the peoples and armies of the Democratic People's Republic of Korea and the Republic of Cuba will develop on good terms.

Messages of greetings also came to him from first secretary of the Central Committee of the Russian communist Workers' Party V. Tyulkin, chairman of the Central Committee of the Left Radical Party of Poland Boleslaw Jaszczuk, and general secretary of the Congolese Socialist Party Leon Nzokene.

DPRK: Foreign Papers Carry Kim Il-song's Reminiscences

*SK1405042196 Pyongyang KCNA in English
0328 GMT 14 May 96*

[FBIS Transcribed Text] Pyongyang, May 14 (KCNA) — The great leader President Kim Il-song's reminiscences "With the Century" was carried by the Pakistani

paper NIDA-E-WAQT, the Tanzanian paper WASSA, the Yemeni paper AL MITHAK and the Ethiopian paper MEBREK.

The Pakistani paper NIDA-E-WAQT said the family of His Excellency the great leader Kim Il-song was a patriotic family that fought for the restoration of the country and the freedom and liberation of the people generation after generation.

It also said His Excellency President Kim Il-song was a great general who restored the country and defended its independence through the struggle against the U.S. and Japanese imperialists. Today the great plan of the president is being carried forward by His Excellency Kim Chong-il in the DPRK, it added.

DPRK: Select Works of Kim Il-song Published in Foreign Languages

SK1405025296 *Pyongyang KCNA in English*
0235 GMT 14 May 96

[FBIS Transcribed Text] Pyongyang, May 14 (KCNA) — Kim Il-song's selected works Vol. 8 was recently brought out in foreign languages by the Foreign Languages Publishing House.

This volume contains 23 famous works including reports, speeches, concluding speeches and talks made by the great leader President Kim Il-song during the period from January 1978 to November 1981.

His work "Report to the Sixth Congress of the Workers' Party of Korea on the Work of the Central Committee" reviews the brilliant victories gained by the party and the people in carrying through the line of the three revolutions, ideological, technical and cultural, and expounds the tasks for modelling the whole of society on the *chuche* idea, achieving the independent and peaceful reunification of the country and strengthening solidarity with the anti-imperialist forces for independence.

"Let Us Step Up Socialist Construction Under the Banner of the *Chuche* Idea," "On Developing Transport Rapidly in Keeping With the Requirements of a Higher Stage of Socialist Economic Construction" and other works clarify the tasks for applying the *chuche* idea in all fields of state activities and speeding up the socialist construction.

Contained in the volume is "The Socialist Labour Law of the Democratic People's Republic of Korea" which lays down the fundamental principles of socialist labour, the labour as a noble duty of citizens, socialist distribution according to labour and state and social benefits for the working people.

The volume includes the famous works which explain the question of bringing about a new turn in education through the full implementation of the theses on socialist education, the question of further developing agriculture and the fishing industry for the improvement of the people's living standard, the question of expanding cooperation with non-aligned countries and other questions arising in the revolution and construction.

DPRK: NODONG SINMUN Reports KPA To Help Ensure Peace, Security

SK1405084896 *Pyongyang KCNA in English*
0837 GMT 14 May 96

["Just Step for Peace and Security" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 14 (KCNA) — The Korean People's Army [KPA] side some time ago announced that it gives up its duty for the maintenance and control of the Military Demarcation Line (MDL) and the Demilitarized Zone (DMZ), which is bound by the Armistice Agreement, and took a measure, now that the status of the DMZ along the MDL cannot be kept up any longer. This is a fair and aboveboard defensive measure to safeguard the country's peace, the nation's security and the supreme interest of the northern half of Korea from the danger of war outbreak, stresses NODONG SINMUN in a by-lined article today.

The Armistice Agreement was reduced to a mere scrap of paper, no longer conducive to ensuring peace on the Korean peninsula, by the U.S. bellicose military quarters and the South Korean puppets and the DMZ has turned into a sparking area of war, not a buffer zone, the article notes, and continues:

The United States and the South Korean puppets have built up the DMZ South of the Military Demarcation Line as a position for attacking the North and are running wild in war exercises with the participation of large forces and equipment which are capable of carrying on a war, so that the danger of a fratricidal war, not an atmosphere of peace, national unity and reunification wanted by the nation, is growing day by day in Korea. We called attention to the danger of the moves of the South Korean warmongers, who have made the Armistice Agreement invalid systematically and are adventurously persisting in arms buildup and war frenzy and warned them, once and again, to stop such moves.

But, the Kim Yong-sam group are seeking a way out of the political crisis, the ruling crisis caused by the largest irregularities and the anti-DPRK confrontation policy, in North-South confrontation and war. They are rather escalating the war provocation moves, leading the situation to a more dangerous phase.

At this rigorous juncture our Armed Forces could not but take a self-defensive measure. If we had not taken a self-defensive measure in time, deeply seeing through the gravity of the situation, a catastrophic war might break out.

We, responsible for the security of the fatherland and the nation, will do our best to ensure the country's peace and the nation's security.

The war-thirsty elements should give up the policy to stifle Korea militarily, and immediately stop war provocation moves against us.

DPRK: Production of Consumer Goods Reportedly Increases

*SK1405092596 Pyongyang KCNA in English
0841 GMT 14 May 96*

[FBIS Transcribed Text] Pyongyang, May 14 (KCNA) — Large quantities of August 3 consumer goods have been produced in Pyongyang.

The variety of consumer goods increased 3.2 times and circulating value 2.5 times in the last decade.

Production bases expanded 1.5 times and the number of producers grew considerably.

Over 12,000 kinds of consumer goods including desk fan are produced in Pyongyang District.

As of late April, more than 1,600 kinds of consumer goods are turned out in Nangnang District. 30 of them are new kinds.

The Pyongyang Municipal General Bureau of Clothing Industry is steadily expanding the variety and kinds of garments and underwear.

The August 3 consumer goods are made of pieces of cloth, by-products and leftovers from factories and enterprises.

DPRK: European Group Decried for Slandering Religious Policy

*SK1405072596 Pyongyang KCNA in English
0634 GMT 14 May 96*

[FBIS Transcribed Text] Pyongyang, May 14 (KCNA) — A spokesman for the Central Committee of the Korean Christian Federation issued a statement Monday denouncing the "Aide Aux Eglises Martyres" in Europe for groundlessly slandering the religious policy of the DPRK.

The spokesman said:

We are told that a religious organisation in Europe called "Aide Aux Eglises Martyres" manipulates honest-

minded Christians who have no idea of the actual conditions of religion in the DPRK to groundlessly slander the DPRK's religious policy.

All the Christians in the DPRK are surprised that the organisation through the letters of Christians totally distorts the reality and calls for "restoration of dignity" and "guarantee for free religious activities" of Christians, talking as if the Christians in the DPRK were persecuted by the government and had their human rights violated.

The organisation is distorting the truth and making a mockery of honest-minded Christians, far from the mission of Christianity that should contribute to harmony, unity and cooperation among people through love, justice and reconciliation. Its unreasonable activities greatly anger the Christians in the DPRK.

The Central Committee of the Korean Christian Federation bitterly denounces this despicable act of the organisation as a trick for sinister political purposes of impairing the dignity of our Christians and marring the external image of the DPRK.

The DPRK Government regards religious faith as a matter of people's independent belief, fully guarantees by law the freedom of religious activities and provides all conditions and state benefits to all religionists so that they can freely take part in socio-political activities with equal rights as citizens.

It is well known to the world that our Christians have close relations with various international and national Christian organisations that respect our independent missionary principles, and develop friendship and co-operation with them in the spirit of Jesus Christ — reconciliation, love and service.

Accordingly, all the religionists in the DPRK including Christians actively support the policies of the DPRK Government and join in the sacred cause of national prosperity and reunification.

This being the reality, the above-said organisation manipulates the Christians who know little of the DPRK to groundlessly slander the sound religious policy of the DPRK. This is an intolerable insult to our Christians and a despicable act devoid of elementary ethics and conscience of a Christian.

Our Christians have not slandered or meddled in the religious policy of another country in any case. We can never allow anyone to slander the religious policy of the DPRK and meddle in our independent religious activities.

Facts compel us to doubt the true colors of the abovesaid organisation lurking behind the facade of "aid to martyr churches."

Christians should be light and salt in achieving love, reconciliation, harmony and unity according to historical providence of Jesus Christ. For them it is a great disgrace that there are some Christians who behave without their own principle, instigated by others, like this organisation.

The Central Committee of the Korean Christian Federation strongly urges the organisation to clarify the whole picture of the disgraceful incident, make an immediate apology and take proper measures at once lest such an incident should occur again.

We sternly warn that if the organisation continues to aggravate the situation, ignoring our just demand, it will have to bear full responsibility for the consequences.

We will sharply watch the future activities of the organisation.

DPRK: Guidelines on Developing Metal Industry Reported

962C0064A *Pyongyang MINJU CHOSON in Korean*
6 Feb 96 p 2

[Article by Kim Yong-ho: "Guiding Principles To Adhere to in Accelerating the Technological Revolution and Developing the Metal Industry"]

[FBIS Translated Text] At a time when the people throughout the country, keeping engraved on their hearts the intent of the party as published in the joint editorial, are dynamically accelerating this year's march in the "Arduous March" spirit, flying high the red flag of the revolution, we solemnly mark the 10th anniversary of the publication of the classic work by the great leader Comrade Kim Il-song "On Accelerating the Technological Revolution and Developing the Metal Industry."

In the work, the great leader Comrade Kim Il-song elucidated the direction and method to further accelerate the technological revolution, and the ways and means to develop the metal industry continuously.

The writing represents the guiding principles to adhere closely to in accelerating the technological revolution and developing the metal industry in consistency with the realistic requirements of the country's socialist economic development.

The great leader Comrade Kim Il-song taught:

"The technological revolution is an important revolutionary task which we must carry out without fail in the course of communist construction."

Accelerating the technological revolution and developing the metal industry provides an important guarantee for pushing forward the socialist economic construction at boundlessly high speed.

Only by accelerating the technological revolution and developing the metal industry can we build firm material and technological foundations suited to the socialist society and rapidly improve the people's material and cultural living standards. Only by doing so can we vigorously push forward the chucheization, modernization, and scientization of the people's economy to further strengthen the nation's economic self-reliance; equip industry, agriculture, and all other sectors of the people's economy firmly with modern technologies; and expand production at high speed.

In addition to its theoretical and practical significance, the classic work was published when the nation was confronted with such important tasks as effecting a new turnaround in the technological revolution and the metal industry; strengthening the power of our chuchetype, self-reliant economy; and further accelerating the general socialist construction.

The work's significance lies, first of all, in that it showed the main direction of the technological revolution consistent with realistic demands, making it possible to purposefully press the struggle for a new turnaround in the technological revolution.

"Seize the central link and concentrate resources on it" is the fundamental demand our party invariably places at the forefront in revolutionary struggle and construction work.

In the technological revolution, like in all other work, only when the main direction is defined clearly can we properly establish priorities, seize the main task, focus on it, and accomplish it effectively.

The classic work set forth as the main direction of the technological revolution to closely adhere to the line of the chucheization, modernization, and scientization of the people's economy; innovate development and utilization technologies of raw materials, fuel, and energy; rapidly develop the machine, electronic, and automobile industries; modernize technical equipment; and place production technical processes, production methods, and management activities on new scientific foundations.

The line of chucheization, modernization, and scientization of the people's economy—which defines the nature

and objective of the building of communism's material and technological foundations and shows ways to realize it—is a strategic line that should be invariably adhered to in socialist, communist economic construction.

Only by thoroughly carrying through this line is it possible to firmly guarantee the self-reliance of the national economy, ceaselessly modernize the technical equipment of the people's economy, thoroughly scientize all production activities, and thereby attain the complete victory of socialism, and further successfully capture the material fortress of communism.

By focusing on the chucheization, modernization, and scientization of the people's economy in defining the direction of the effort to expedite the technological revolution, the classic work has led the revolution to positively contribute to further consolidating the material and technological foundations of socialism and communism.

The writing elucidated major tasks linked with the main direction of the technological revolution.

First, it set forth the task to vigorously accelerate the technological improvement work to effectively utilize existing facilities and foundations in all sectors of the people's economy, making it possible for factories and enterprises to markedly increase production and improve product quality while conserving raw materials, other materials, and labor and without using additional state investments.

Making electrification, mechanization, automation, and robotization in all sectors the major task, the classic work stressed the need to concentrate on carrying out the mechanization and comprehensive mechanization of the extractive industries; introduce automation and remote control systems in key industries such as the metal, chemical, and building materials industries; set up computerized automatic control systems beginning with the urgently needed manufacturing processes; bring in robots in individual work processes; and realize the comprehensive mechanization of the rural economy. To that end, we should rapidly develop our machine, electronic, and automation industries, it noted. The fulfillment of this task is the key to eliminating the difference between heavy and light labor, the difference between agricultural and industrial labor, and the difference between physical and mental labor and rapidly increasing the production of material wealth.

The writing pointed out the need to conduct the technological revolution in a way suitable to our country's realities, strictly from the position of chuche. It listed the ways and means to accelerate it successfully, including strengthening the training of scientists and engineers

and enhancing their roles, and intensifying the struggle against outdated ideologies such as conservatism, technological mysticism, and flunkeyism.

Thus giving perfect elucidations to fundamental questions confronting us in accelerating the technological revolution, the classic work paved a sure way to bring on a great turnaround in the conduct of the technological revolution.

Next, the significance of the classic work is that it made it possible to develop the metal industry and satisfactorily meet the growing demands for steel from various sectors of the people's economy, in accordance with the realistic requirement for further strengthening the nation's economic power and accelerating the technological revolution.

Steel production is a major index of a nation's economic power. Our party, therefore, made great efforts to develop the steel industry under slogans to the effect that iron and machinery are the kings of industry.

The classic work put forth the steel production target for each year under the long-term plan, showing the ways and means to achieve it.

To increase steel production, we have to create more new production capabilities while regularizing production at existing plants at high levels.

Steel casting kilns at factories and enterprises, as well as those at metallurgical plants, need to turn out more steel; the production of specification steel must be expanded; new plants have to be built for carbon steel plates, stainless steel plates, high-pressure pipes, and wire ropes; the second-phase expansion project of the Kim Chaek Iron Complex should be completed quickly and measures taken to effectively operate the rolling plant and the cold strip shop of that complex. These tasks put forth in the classic work constitute an important guarantee for an epochal increase in the nation's steel production over a short period.

The guidelines in the classic work for accelerating the technological revolution and developing the metal industry correctly reflect the long-term goal and realistic requirements of socialist construction in our country, as well as global trends in science and technology, and therefore have displayed great vitality in practice.

In recent years, the chucheization, modernization, and scientization of the people's economy—which is the strategic line of socialist economic construction—has been vigorously pushed forward in our country, even amid the complicated and strained situations. As a result, all sectors of the people's economy, including the industrial and the rural economies, have been

consolidated more firmly to build a socialist, self-reliant national economy equipped with modern technologies and complete with intrasector structures. This is related to the fact that we have accelerated the technological revolution and developed the metal industry under the sagacious leadership of the party and the leader.

Today's realities that we have to break an economic blockade by imperialists and give fuller play to the power of our country's socialist economy demand that we continue to make major efforts to accelerate the technological revolution and develop the metal industry.

The technological revolution is a lofty revolutionary struggle to guarantee sure victory for socialism in the economic war with capitalism and to liberate working people from difficult work and backbreaking labor, while the metal industry offers a breakthrough in carrying through the party's revolutionary economic strategy.

Under the sagacious leadership [yongdo] of the great Comrade Kim Chong-il, all functionaries and the working people will more thoroughly accomplish the tasks set forth in the classic work. By doing so, they will make epoch-making progress in implementing the party's revolutionary economic strategy and contribute positively to consolidating the economic position of our way of socialism into an invincible fortress.

South Korea

ROK: Full Text of Statement Released After Talks With U.S., Japan

SK1405084396 Seoul YONHAP in English
0833 GMT 14 May 96

["Full text" of joint press statement released after the South Korea-U.S.-Japan trilateral consultation in Cheju Island, ROK on 14 May]

[FBIS Transcribed Text] Cheju, South Korea, May 14 (YONHAP) — The second ROK/U.S./Japan trilateral consultation was held on May 13-14, 1996, in Cheju Island.

The Republic of Korea delegation was led by Deputy Minister of Foreign Affairs for Political Affairs Chong Tae-ik. The Japanese delegation was led by Deputy Minister of Foreign Affairs Yanai Shunji and the U.S. delegation was led by Assistant Secretary of State for East Asian and Pacific Affairs Winston Lord.

The three delegations assessed the changes that have taken place in North Korea since the first trilateral meeting held last January. They reviewed the overall cooperation among the three countries with regard to North Korean issues by discussing the matters of com-

mon interest such as the implementation of the agreed framework, including the KEDO [Korean Peninsula Energy Development Organization]-North Korea negotiations on the protocols of light-water reactor project, North Korea's food and energy situation, and the economic exchange with North Korea.

The three delegations also shared the view that the four party meeting jointly proposed by the Presidents of the Republic of Korea and the United States on April 16 is the most practicable means of replacing the current armistice regime with a permanent peace regime in the Korean peninsula. They agreed to continue their efforts to persuade the North to accept the proposal.

In conclusion, the three delegations agreed that the meeting served as a very useful and constructive forum to discuss and gather views on the ways to encourage North Korea's increased opening to, and dialogue with the international community and the improvement of inter-Korean relations. In this respect, they agreed to hold the next meeting in Japan within the next few months pending further consultations regarding the details through diplomatic channel.

ROK, U.S. To Propose Joint Meeting To Explain 4-Way Talks to DPRK

SK1405113696 Seoul KBS-1 Radio Network
in Korean 1000 GMT 14 May 96

[FBIS Translated Text] The ROK and the United States agreed on 14 May to hold a joint meeting to further explain the four-way talks proposal to North Korea, as North Korea demanded, and will suggest this to North Korea. Reporter Cho Il-su will report the details.

[Begin live Cho relay from Cheju Island] A government official, who attended the ROK-U.S.-Japan deputy minister-level policy consultation on Cheju Island, said: The ROK and the United States have agreed to jointly explain further the four-way talks proposal, which North Korea requested, since they made the proposal jointly.

The official then said the ROK and the United States will propose to North Korea that director-level officials of the three countries hold a meeting at the earliest possible date.

At the joint news conference winding up the high-level policy consultation, the chief ROK delegate, Chong Tae-ik, first deputy minister of foreign affairs, said: It is natural for the ROK and the United States to respond jointly to North Korea's request for further explanation of the four-way talks proposal, because the talks were proposed jointly by the two countries.

During the news conference, the chief U.S. delegate, Winston Lord, assistant secretary of state for East

Asian and Pacific affairs, said: The United States is not considering lifting any specific additional economic sanctions on North Korea at the present stage.

Assistant Secretary Lord stated that the United States is considering food aid to North Korea along with the ROK and Japan, but emphasized, however, that the United States has no plan to provide food aid to North Korea currently.

Yanai Shunji, Japanese deputy minister of foreign affairs, also made it clear that Japan has no plan to provide food aid to North Korea at present.

Deputy Minister Chong Tae-ik also made it clear that the ROK has no intention of taking appeasement measures to induce North Korea to accept the four-way talks proposal. [end live relay]

ROK, Japanese Defense Ministers Support 4-Way Talks

*SK1305111796 Seoul YONHAP in English
0838 GMT 13 May 96*

[FBIS Transcribed Text] Tokyo, May 13 (YONHAP) — Visiting South Korean Defense Minister Yi Yang-ho and his Japanese counterpart Hideo Usui agreed Monday that both defense authorities would make joint efforts to realize the four-nation meeting Seoul and Washington proposed in April to work out a permanent peace scheme on the Korean Peninsula.

During the meeting at the Defense Ministry building here, Yi and Usui both recognized that the South Korea-U.S. proposal is a timely initiative for peace and stability on the Korean Peninsula as well as in the Northeast Asia.

The top defense officials urged North Korea to favorably consider and participate in the proposed four-nation meeting, and shared opinion that future Tokyo-Pyongyang relations will keep pace with the developments of inter-Korean relations and the development of the quadripartite talks.

They agreed to continue to develop bilateral military exchanges and iron out comprehensive and specific measures for the exchanges at the Third Korea-Japan Defense Policy Working Consultation slated for October.

Yi and Usui also shared the opinion that the current Korean Armistice Accord should be observed until a new peace mechanism is established on the Korean Peninsula, while pointing out that the reckless show of force in the Demilitarized Zone by the North last month that ignored the cease-fire agreement, threatened peace on the Korean Peninsula.

ROK 'Secured Support' for Four-Way Proposal at Third ARF-SOM

*SK1405091596 Seoul YONHAP in English
0830 GMT 14 May 96*

[FBIS Transcribed Text] Seoul, May 14 (YONHAP) — The third senior officials meeting of the ASEAN Regional Forum (ARF-SOM) has emphasized the need to establish a peace regime on the Korean peninsula and until that happens the 1953 Korean Armistice Agreement should remain valid, a spokesman for the Foreign Affairs Ministry said Tuesday.

At the meeting held between May 10-11 in Yogyakarta, Indonesia, and attended by 19 member nations, the six-member South Korean delegation, led by Cho Won-il, deputy foreign minister for policy planning, secured support from most of the participants for the four-nation meeting proposed by South Korean Kim Yong-sam and U.S. President Bill Clinton last month, according to the spokesman.

The gathering also stressed the importance of the Korean Peninsula Energy Development Organization (KEDO), and encouraged the ARF participants to consider giving further financial and political support to KEDO, the spokesman said.

These positions will be included in the chairman's summary, which will eventually be delivered to the ARF meeting slated for July for further discussion.

The participants also agreed to recommend that their foreign ministers allow India and Myanmar [Burma] to participate in the July ARF meeting as new ARF members.

A procedure for new ARF members was mapped out and it was agreed to submit it to the July ARF.

There are currently nine countries, including North Korea, Mongolia, Britain and France, hoping to join the inter-governmental political and security cooperation body, the spokesman added.

ROK: SRV 'Fully Supports Peaceful Sentiment' Between Koreans

*SK1005151396 Seoul YONHAP in English
0928 GMT 10 May 96*

[FBIS Transcribed Text] Seoul, May 10 (YONHAP) — Vietnam "fully supports peaceful sentiment" between South and North Korea, Vietnamese Minister of Industry Dang Vu Chu said Friday.

He made the remark when asked whether his government supports the proposed four-way talks for peace

on the Korean Peninsula, adding that relations between South Korea and Vietnam are "quite good."

The official had just finished giving a presentation on Vietnam's recent economic development at the Asia Society Conference, "Asia Goes Global: Korea and the Region," at the Silla Hotel in downtown Seoul.

In his presentation, Dang acknowledged the economic problems Vietnam had before it initiated market reforms in 1986, but noted the tremendous growth since then, including the 9.5-percent economic growth last year.

Ho Chi Minh City will strive for market reforms regulated at the macroeconomic level with an emphasis on key industrial sectors, he said. He also predicted that Vietnam could set up its first stock exchange by either the end of this year or the beginning of the next, and that such a measure could speed up his nation's economic liberalization.

Dang also declared that his nation is following an "open-door policy" stressing expansion of exports and diplomatic ties, adding that Vietnam has already applied for membership in the World Trade Organization and is interested in joining the Asia-Pacific Economic Cooperation.

Vietnam also seeks more foreign direct investments and official development aid, he indicated, and welcomes Korean investments particularly in automotive production, hotel construction and infrastructure development.

ROK: DPRK Response to 4-Way Talks To Affect Rice Aid, Sanctions

SK1405082496 Seoul YONHAP in English
0817 GMT 14 May 96

[By Hwang Tu-hyong]

[FBIS Transcribed Text] Cheju, South Korea, May 14 (YONHAP) — Any response by North Korea to the proposed four-way peace talks will surely affect decisions by South Korea, the United States and Japan on additional rice aid to North Korea or easing of economic sanctions imposed on Pyongyang, although there exists no direct linkage between the issues, a Foreign Ministry official said Tuesday.

Emerging from the morning session of the three-way talks between South Korea, the United States and Japan on North Korea at the Silla Hotel, the official, who asked not to be identified, said that the three parties agreed that "it is inevitable that developments in one area would affect developments in the other, although we are not going to say that the four-party meeting issue and other issues are directly connected."

"We have reached an understanding that we can discuss the issue of additional rice aid to North Korea as part of an overall strategy to ease tensions on the Korean peninsula under the framework of the four-party meeting rather than having a separate meeting with North Korea on the provision of rice aid," the official said.

"Representatives of the United States and Japan at the three-way Cheju talks confirmed that they had no immediate plans to provide rice aid to North Korea," he said. "The United States, for its part, agreed that it will have no role to play in future talks, if any, for provision of further rice aid to the North and that South Korea will take the initiative for such talks."

During the three-way talks, Deputy Foreign Minister Chong Tae-ik, U.S. Assistant Secretary of Secretary of State Winston Lord and Japan's Deputy Foreign Minister Yanai Shunji also agreed that the food shortage in North Korea has yet to reach the point of starvation like in some African countries and is not likely to serve as a catalyst for the collapse of the North Korean regime, according to the official.

The official also said that the representatives did not feel the need to offer any incentive for North Korea to try to induce the North to accept the quadripartite talks proposal by President Kim Yong-sam and his U.S. counterpart Bill Clinton last month for a permanent peace mechanism on the Korean peninsula to replace the existing Korean Armistice Agreement.

The official quoted Winston Lord as saying that the U.S. Government is not going to maintain any kind of contact with North Korea on the proposed four-way peace talks.

"I've said that a hundred times and I don't know how many times I'm going to have to say it," Lord was quoted as saying.

As far as the issue of establishing a permanent peace regime on the Korean peninsula is concerned, South and North Korea should play the key role while the United States and China play a supportive and facilitating role, the official said.

Japan's Shunji also reaffirmed, according to the official, his government's full support of Seoul's offer for a four-party meeting, and pledged that the Tokyo government will continue to try to convey that message to the Pyongyang government.

The three sides also agreed that South Korea should take part in any talks with Pyongyang to prepare for the official launch of the four-party peace talks including those explaining the real motives or providing

additional information on the proposed quadrilateral talks requested by the North.

"That's because President Kim Yong-sam took the lead in proposing the four-party meeting and the presidents of South Korea and the United States jointly proposed the meeting," he said.

The official did not, however, oppose the idea of Washington maintaining a working-level channel of communication with Pyongyang permanent United Nations representative office in New York.

"Such contacts, however, should not serve as a separate channel between Pyongyang and Washington for negotiations on the proposed quadrilateral peace talks," he said.

Minister-counsellor Han Sung-yol of the North Korean mission in New York met with a section-chief-level official in charge of North Korean affairs at the U.S. State Department last month when the North requested that the United States provide detailed information on the four-way peace talks proposals.

The afternoon session of the three-party meeting which began Monday on the southern resort island of Cheju will address the North Korean nuclear issue including ways to implement the 1994 nuclear agreement between Washington and Pyongyang, the political and military situation in North Korea and ways to consolidate trilateral cooperation to effectively deal with issues involving the north.

At the end of the tripartite talks, representatives from the three countries will issue a joint statement and give a joint press conference to reconfirm their joint positions on North Korea.

Foreign ministers from Seoul, Washington and Tokyo agreed to hold the deputy-minister-level talks on North Korea last November in Osaka, Japan, where the Asia Pacific Economic Cooperation (APEC) forum was held.

The first such meeting was held in Honolulu, Hawaii, last February, focusing on providing rice aid to the North to help it recover from a severe food shortage. Days after the Honolulu meeting, the United States Government decided to provide North Korea with 2 million dollars worth of rice through an international humanitarian organization.

U.S. representative Winston Lord will fly to Seoul late Tuesday to meet with Foreign Minister Kong No-myong and Unification Kwon O-ki the following day to discuss issues regarding North Korea.

ROK: DPRK Participants Stress Cooperation at PRC Symposium

*SK1305064696 Seoul SEOUL SINMUN in Korean
13 May 96 p 2*

[Report by Beijing correspondent Ui Sok-u]

[FBIS Translated Text] It has been learned that North Korea is seeking to invigorate the Bohai economic rim with participation from North and South Korea and China in order to resolve its economic crisis.

An "international symposium on the Bohai economic rim" closed on 12 May. North Korean participants in the symposium stressed the need to strengthen cooperation among all the parties concerned. They also hinted that North Korea is giving priority to strengthening North-South cooperation and stepping up cooperation with northeastern China with a view to resolving North Korea's economic difficulties.

The international symposium opened on 9 May in Shenyang, China, under the auspices of Liaoning University. Yi Tong-su, professor of the Chuche Idea Academy, delivered a major speech at the symposium. During the speech, he said: "The southern and northern sides of the Korean peninsula (North and South Korea) must recognize each other's ideology and system and seek a common existence, prosperity, and interest based on the agreed upon principle (North-South basic agreement)." This is interpreted as the North Korean stance to maximize nongovernmental economic cooperation without holding government-level contacts.

He also said that "mutual recognition of and respect for the other side's economic system; and economic cooperation that transcends differences in ideas and institutions are the keys to success in regional economic cooperation as well as in the Bohai economic rim." He added that "North and South Korea must contribute to external cooperation and regional economic development after transcending regional and class differences." This also shows that, in an effort to resolve its economic difficulties, North Korea regards economic cooperation with the ROK and China as a priority.

During his report entitled "North Korea's External Economic Policy and Economic Cooperation in the Bohai Economic Rim," Kim Myong-yol, professor of Kim Il-song University, stressed that "North-South cooperation is crucial to shaping the Bohai economic rim." Commenting on the situation on the Korean peninsula, he said: "The situation has eased over the past several years, as shown in the 1992 adoption of the North-South basic agreement, and contrary to the confrontation which had prevailed for dozens of years."

In this way, he stressed the positive aspects of North-South relations instead of emphasizing the tensions.

Participants propagandized North Korea's opening up, saying that if a tax office were established on the Wonjong Bridge in the Chinese border, a third-country national could travel without a visa. They also said that North Korea has adopted a trade-first policy, such as focusing on finding markets in neighboring countries, due to changes in the international situation. In connection with the trade-first policy, they explained that North Korea is seeking to diversify its trade. As a result, they said, regional administrative offices are also seeking to promote economic cooperation with foreign countries' regional areas. Chin Nok-kol, vice chairman of the Association of Social Scientists, and other experts of North Korea's external policy attended the symposium. From the ROK side, Kim Chun-yop, director of the Board of Governors of the Academy of Social Sciences; Chong Yong-nok, a fellow at the Institute for Economic Policy; and other delegates attended the symposium.

ROK Daily Profiles DPRK Vice Marshal Kim Yong-chun

SK1305054296 Seoul HANGUK ILBO in Korean
13 May 96 p 13

[Article by Unification Institute researcher Min Pyong-yong]

[FBIS Translated Text] The North Korean Army's profile is higher with each passing day. Following the death of Kim Il-song, the signs of a stronger military influence can be seen in various places. On 10 October 1995 North Korea unprecedentedly staged a military parade marking the 50th anniversary of the founding of the Workers Party of Korea [WPK]. In addition, new leader Kim Chong-il has continued his inspection of military units this year, too. North Korea has even designated 25 April, the founding anniversary of the Korean People's Army, as a national holiday.

Kim Yong-chun (64), who was promoted to joint chief of staff of the Army and vice marshal last fall, is known to be an influential figure and has taken a firm grip on the military. It is unusual that Kim, whose military career is not widely known, has risen to the top ahead of his military seniors. Considering that many within the North Korean Army are Kim Chong-il loyalists, Kim Yong-chun must have won the special trust of Kim Chong-il.

In a central report meeting held on 25 April, he delivered a speech "urging the entire party, all the people, and the entire Army to consolidate the all-popular defense system."

As a typical soldier who once served at a field army, his loyalty and power of execution are reportedly prominent.

Born in Hamgyong Province in 1932, he emerged in the spotlight as the vice chairman of the Pyongan provincial party committee for organizational affairs. In 1980, he was selected as candidate member of the WPK Central Committee and, in 1986, as deputy to the Supreme People's Assembly. In April 1992, he was promoted to general of the People's Army and was included in the funeral committee of Kim Il-song and O Chin-u.

Currently, he is 26th in North Korea's power hierarchy and is a full member of the WPK Central Committee. He has given military advice to Kim Chong-il for a long time and even wrote a book entitled "Toksong Diary." He is easygoing, however, when he gets angry, he easily loses his temper. In the Kim Chong-il era, his influence is likely to last for a considerable time.

ROK: DPRK To Reduce Number of Official Vehicles by 40 Percent

SK1305005496 (Internet) The Joong-Ang Ilbo WWW
in English 13 May 96

[FBIS Transcribed Text] It was confirmed that North Korea has decided to reduce the number of vehicles operated by its administrative organizations by 40% due to severe oil and energy shortages.

A South Korean government official stated Sunday that "North Korea has recently reduced by 40% the number of vehicles operated by its administrative bodies in order to overcome its severe shortage of oil. Accordingly, even North Korea's vice-ministers are now sharing cars and always travel by train when they go on trips to places over 50 km away."

ROK: Researcher Says DPRK Suffering From Environmental Pollution

SK1005024496 Seoul THE KOREA ECONOMIC
WEEKLY in English 6 May 96 p 22

[FBIS Translated Text] North Korea is suffering from environmental pollution since it is poorly equipped with basic pollution preventing facilities.

Chong Hoe-song, research fellow at the Korea Environmental Technology Research Institute, recently presented a paper on North Korea's environmental issue and inter-Korean cooperation on environment.

According to the paper, North Korea's environmental issues are similar to those of the 1970s in South Korea.

Some 40 percent of 25,000 residents in Pyolo-tong, Manpo City, Chagang Province are suffering from

pollution-related diseases. Due to waste water both from industrial plants and general households, the Tumen River is also being affected by serious water pollution.

ROK: Kumho Group Chairman Meets DPRK's Kim Chong-u in Beijing

SK1205024696 Seoul KYONGHYANG SINMUN in Korean 11 May 96 p 2

[By correspondent Sin Yong-su from Beijing]

[FBIS Translated Text] Pak Chong-ku, chairman of Kumho Group, met Kim Chong-u, vice chairman of the North Korean External Economic Affairs Committee, in Beijing on 10 May and held talks on doing business in the North. Such a meeting was confirmed by the ROK Embassy in the PRC. After his meeting with Vice Chairman Kim, Chairman Pak will return home on 11 May.

It was learned that during the meeting, the North Korean side asked the Kumho Group to advance into the Najin-Sonbong region and to conduct economic cooperation.

ROK: President Kim Hosts Lunch for New Zealand's Bolger

SK1105043096 Seoul YONHAP in English 0350 GMT 11 May 96

[FBIS Transcribed Text] Seoul, May 11 (YONHAP) — President Kim Yong-sam and New Zealand Prime Minister Jim Bolger discussed promoting bilateral relations between their countries and mutual cooperation in the international community at a meeting held in Chongwadae [presidential offices] Saturday morning.

Kim thanked the visiting Oceanian country leader for his support of the four-nation peace talks on the Korean peninsula proposed by Seoul and Washington last month and the Korean Peninsula Energy Development Organization formed to solve the North Korean nuclear issue.

Noting that economic cooperation between the two countries has been expanding, Kim said the two countries should continue their efforts to balance the bilateral trade which now favors New Zealand.

Kim also expressed hope that the two countries will cooperate more closely in the new world trade order, especially in the World Trade Organization and the Asia-Pacific Economic Cooperation forum, and asked for Wellington's support in Seoul's bid to join the Organization for Economic Cooperation and Development.

Following the meeting, Kim hosted a lunch in honor of the New Zealand leader.

ROK: New Zealand's Bolger Meets Reporters, Comments on Visit

SK1105083296 Seoul YONHAP in English 0748 GMT 11 May 96

[FBIS Transcribed Text] Seoul, May 11 (YONHAP) — New Zealand Prime Minister James B. Bolger expressed his desire Saturday to broaden his nation's political ties with South Korea at a level "more befitting the importance of Korea to New Zealand."

Bolger told reporters at the Shilla Hotel that his discussions with President Kim Yong-sam included the security issue of the Korean peninsula and nuclear disarmament, which he said was a "key factor in promoting regional and global security."

The New Zealand leader also endorsed the proposed four-way talks and call for increased political and security dialogue in North Asia.

On the recent deportation of a former Korean diplomat back to Seoul, he said that "It was unfortunate" that Choe Sung-chin ever came to New Zealand and that none of the incidents would have happened had he not come.

Both leaders also spoke on trade, tourism and migration links between the two nations, he said, adding that the number of Korean tourists to New Zealand is on a sharp increase.

He and Kim agreed in principle on a working holiday visa for both nations that would allow a limited number of persons to visit the other country, Bolger indicated, with the plan to be worked out by relevant officials.

He commended South Korea for further opening up its domestic beef market for New Zealand imports recently, and hoped that such liberalization would continue.

Bolger later gave an address at the Asia Society conference, "Asia Goes Global: Korea and the Region," at the hotel.

He was scheduled to depart for Hong Kong in the evening for a meeting with the city's governor, Chris Patton.

ROK, New Zealand Agree To Step Up Economic Cooperation

SK1205012396 Seoul THE KOREA TIMES in English 12 May 96 p 2

[By staff reporter Han Tong-su]

[FBIS Transcribed Text] President Kim Yong-sam and visiting New Zealand Prime Minister James Bolger

agreed to step up bilateral economic cooperation between Seoul and Wellington in a summit at Chongwadae [presidential offices] yesterday.

To that effect, the two leaders agreed to set up a joint economic commission headed by assistant minister-level officials.

They also agreed to closely cooperate to promote free global trade under the World Trade Organization (WTO) regime and through such regional fora as the Asia-Pacific Economic Cooperation (APEC).

Kim asked for New Zealand's help in South Korea's bid to join the Organization for Economic Cooperation and Development (OECD), the group of the world's advanced countries.

Bolger, who arrived in Seoul Friday for a two-day business trip, attended the closing session of the 7th annual conference of the Asia Society at Hotel Shilla yesterday.

In the Chongwadae summit, Kim and Bolger agreed to expand two-way trade between the two countries, which exceeded the 1-billion-dollar mark last year.

Noting that economic cooperation between the two countries has been expanding, Kim said the two countries should exert efforts to balance the bilateral trade, which now is in favor of New Zealand.

South Korea, which bought \$817 million worth of New Zealand products last year, is the Oceanian country's fifth largest export market and second biggest source of tourists. South Korean exports to the country totalled \$201 million in 1995 for a trade deficit of \$616 million.

Kim thanked Bolger for New Zealand's support for the four-party meeting jointly proposed by Kim and U.S. President Bill Clinton in their summit on the scenic Cheju Island April 16.

The four-way talks, to be participated in by South and North Korea, the United States and China, is aimed at bringing permanent peace on the Korean peninsula by replacing the current Armistice Agreement with a new peace regime. Kim also extended his appreciation to Bolger for his country's active participation in the Korean Peninsula Energy Development Organization (KEDO), which was formed to resolve the North Korean nuclear issue.

In a speech at a luncheon held after the summit in honor of the New Zealand premier, President Kim praised Bolger for his government's Asia-first policy, a powerful force that has hastened the "dawn of the Asia-Pacific era in the 21st century."

ROK: Defense Minister To Travel to Japan, Thailand, Saudi Arabia

SK1205130996 Seoul YONHAP in English
0903 GMT 12 May 96

[FBIS Transcribed Text] Seoul, May 12 (YONHAP) — Defense Minister Yi Yang-ho will embark on a 10-day tour of Japan, Thailand and Saudi Arabia Monday.

Yi will meet his counterparts of these countries and discuss promoting military relations with them and exchange views on North Korea's scheme to neutralize the Armistice Agreement which ended the Korean War in 1953.

In particular, his visit to Japan is in return for Japanese Defense Minister Seishiro Eto's visit to Seoul last year.

ROK: Ambassador Meets Senior Japanese Policymakers

SK1305080196 Seoul YONHAP in English
0743 GMT 13 May 96

[FBIS Transcribed Text] Tokyo, May 13 (YONHAP) — South Korean Ambassador to Japan Kim Tae-chi met with senior policymakers of the Japanese ruling coalition parties Monday and exchanged opinions on recent developments on the Korean Peninsula and North Korea-Japan relations.

During the meeting at a Tokyo Hotel, Japanese participants supported the four-nation talks proposal made last month by South Korea and the United States to establish permanent peace on the Korean Peninsula, South Korean Embassy officials here said.

One of the participants from Japan was Taku Yamazaki, Policy Affairs Research Council chairman of the Liberal Democratic Party.

Japanese officials confirmed that the improvement of Japan-North Korea relations will take place in the context of the Tokyo government's close relationship and cooperation with the Seoul government, according to the embassy officials.

The Japanese politicians said North Korean Workers' (Communist) Party Secretary Kim Yong-sun expressed hope regarding the possibility of senior party officials visiting Japan, which is considering sending a letter of invitation by the end of May in the name of international bureau chief of the Social Democratic Party after prior consultations among three coalition parties.

Amb. Kim emphasized the need for Japan to deal with issues regarding North Korea in a circumspect way, asserting, "The pressing question is North Korea's

positive response to the proposed quadripartite talks to initiate inter-Korean dialogue."

ROK, Polish Prime Ministers Hold Joint News Conference

*SK1405023896 Seoul YONHAP in English
0029 GMT 14 May 96*

[FBIS Transcribed Text] Warsaw, May 13 (YONHAP) — South Korea will participate in an economic forum Poland is scheduled to hold with Southeast Asian nations here in September in a bid to reinforce economic cooperation between the two countries.

An agreement to that effect was reached at a conference South Korean Prime Minister Yi Su-song and his Polish counterpart W. Cimoszewicz held at the latter's office Monday afternoon, the two leaders said in a joint press conference.

"The two governments have agreed to positively support their businesses in making joint ventures into former Soviet Union republics like Belarus and the European Union region," they disclosed.

Yi is the first South Korean head of government to visit Poland and will be there until Thursday on the second leg of a 16-day tour of four countries, including Turkey, Hungary and Romania.

Poland is a member of the United Nations Supervisory Commission (UNSC), overseeing the Korean armistice agreement that ended the 1950-53 Korean war.

In that context, Cimoszewicz said, "Though it is difficult (for Poland) to realistically play a role like that of the past due to incomprehensible acts on the part of North Korea, we'll continue our activities within possible extent from the perspective that the present armistice regime must be maintained until a permanent peace mechanism is established on the Korean peninsula."

Poland has already appointed its new delegate to the UNSC, who has been performing UNSC activities along with his counterparts from Switzerland and Sweden, he added.

"Poland fully supports South Korea's efforts for peaceful unification including the four-way talk proposal," Cimoszewicz said.

Yi said, "we had an in-depth discussion on ways of making joint ventures in third countries based on Poland's basic science and technology and Korea's capital and managerial expertise."

Specific ways will be addressed at meetings of economic ministers or businessmen of the two nations in the future, Yi added.

Poland handed to Korea a list of industries in which bilateral cooperation is deemed possible. Among them are chemistry, construction, defense, shipbuilding, machinery, automobiles and electronics. South Korea promised to affirmatively study possible cooperation on such industries.

The two countries, both non-permanent members of the United Nations Security Council, reached an accord to reinforce diplomatic cooperation on the international arena like the United Nations.

On Tuesday, Yi is scheduled to pay courtesy calls on the heads of the upper and lower chambers of parliament and meet Korean and Polish businessmen at a reception.

ROK: Military Lowers Alert Status to 'Watch Con 3'

*SK1005150996 Seoul YONHAP in English
0936 GMT 10 May 96*

[FBIS Transcribed Text] Seoul, May 10 (YONHAP) — The Korea-U.S. Combined Forces Command Friday reversed the state of its northward intelligence vigilance from "Watch Con 2" to the normal-time "Watch Con 3" effective Friday afternoon, a military source said.

The source said the reversion of the vigilance to the normalcy was because there were no more signs of provocation from the North after armed forays into the Panmunjom area early last April.

He said that in areas along the entire truce line, North Korean troops were seen engaged in farming or small-scale training.

The command stepped up the vigilance to "Watch Con 2" on last April 5 soon after North Korea announced the abandonment of its obligations related to the armistice system.

It was the first upgrading of intelligence vigilance in 15 years.

ROK: Seoul To Hold 5-Day Military Drill

*SK1405005796 Seoul THE KOREA HERALD
in English 14 May 96 p 3*

[FBIS Transcribed Text] A five-day massive military drill will be held in the capital area today to test readiness against a North Korean guerrilla attack, the Army said yesterday.

Code-named "Hwarang '96," the drill will include about 170,000 soldiers, police, government officials and reserve troops in Seoul.

The Army has asked citizens to report South Korean paratroopers disguised as North Korean guerrillas during the exercise, staged in Seoul for the first time in four years.

ROK: Alleged Forgery by Ex-Diplomat in New Zealand Described

SK1105130296 Seoul YONHAP in English
1225 GMT 11 May 96

[FBIS Transcribed Text] Seoul, May 11 (YONHAP) — The prosecution sought an arrest warrant for Choe Sung-chin, 52, former administrative attache at the Korean Embassy in Wellington, on charges of forging and leaking an official document Saturday afternoon.

Choe is suspected of having doctored a confidential Foreign Ministry document on or around March 24 last year to have it appear as if the government was planning to put off the June local elections.

Prosecutors alleged that Choe altered three parts of a Foreign Ministry telegram entitled, "Operation Status of Local Autonomy System." For example, he doctored the leading portion of the first paragraph, reading "We, facing the June local elections, intend to use it as reference for public information purposes," into "Find out in tight secrecy... as we intend to use it as reference in preparing data needed for postponing the local elections," a prosecution official said.

Choe was said to have handed the forged telegraph to his wife O Chae-sin, 41, together with a personal letter, on or around March 25 with an instruction that they be delivered to Rep. Kwon No-kap of the then opposition Democratic Party. He allegedly had Rep. Kwon leak the document to the press on June 10.

When controversies arose about the altered document, Choe, in a bid to enhance its credibility, copied it with the upper corner of the document referring to "confidential," "control no" and "telegram received" covered with a sheet of paper so that it could look as a separate telegraph from the Foreign Ministry.

Choe also allegedly sent in a diplomatic pouch on or around June 23 another letter, claiming that the Foreign Ministry was attempting to destroy evidence of its involvement in the alleged postponement of the local elections, addressed to Rep. Kwon to Cho Sung-hyong, a justice at the Constitutional Court. Cho handed the letter to Kwon.

On Choe's motives for the alleged forgery, a prosecution official said, "Further investigation is required, but it appears that he did it for his personal political needs."

Though he admitted doctoring the document, Choe denied conspiracy or involvement in the act by Kwon or others, according to the official.

Prosecutors plan to summon Rep. Kwon and others for questioning early next week in an effort to look into how the forged document was made public to the press and whether he was aware of the forgery.

ROK: Ex-Diplomat Arrested for Forging, Leaking Document

SK1105145496 Seoul YONHAP in English
1303 GMT 11 May 96

[FBIS Transcribed Text] Seoul, May 11 (YONHAP) — The prosecution on Saturday evening arrested and put into custody Choe Sung-chin, former administrative attache at the Korean Embassy in Wellington, on charges of doctoring and leaking a confidential diplomatic document.

Just prior to being escorted to a detention house at around 7:40 pm, [1040 GMT] Choe suggested his acknowledgement of the charges brought against him by saying, "As a civil servant, I'm very sorry to the president, foreign minister and all the Foreign Ministry staff for having caused troubles to them."

"I also deeply reflect on myself and apologize to the people as well for having disappointed them greatly," he added.

When asked, "Did you tell Rep. Kwon No-kap that you forged the document?" and "What were your motives behind the act?" however, Choe responded, "I'll tell everything in the courtroom."

Unlike his haggard look with a beard when he returned home and [was] hauled away by prosecution investigators Friday, Choe was shaved and appeared bright as he left the Seoul District Prosecutor's Office.

ROK: Prosecutors Question Former Diplomat in Forgery Case

SK1105020696 Seoul THE KOREA TIMES in English
11 May 96 p 3

[By staff reporter Sin Hak-lim]

[FBIS Transcribed Text] Controversy has resumed over the alleged forgery of diplomatic documents sent by the Foreign Ministry to its New Zealand mission last year, with the putting of a former communications engineer at the Korean embassy into emergency custody upon his arrival at Kimpo Airport yesterday.

Choe Sung-chin, 52, at the center of the case, is being questioned by state prosecutors about his allegations

that the embassy was instructed to collect information about local elections in New Zealand in preparation for a possible June 29 election postponement last year.

Koreans can be put under emergency arrest for up to 48 hours without arrest warrants from a court.

He leaked a Foreign Ministry document allegedly sent for that purpose to the Wellington mission to a close aide to Kim Tae-chung, then co-leader of the major opposition Democratic Party [DP].

After Kim's party disclosed the contents of the document, opening fire on the Kim Yong-sam administration for its alleged attempts to put off the local elections, Choe was fired, went into hiding and sought diplomatic asylum.

However, the Foreign Ministry flatly denied Choe's allegations, insisting that the person or persons who forged the document must have been himself or a third party.

While being arrested by investigators from the Seoul District Prosecutor's Office upon arrival at Kimpo Airport yesterday morning, Choe told reporters that he never changed even one letter in the document he leaked to the DP.

He went a step further to allege that it had been suggested to him that he say that he and opposition leader Kim Tae-chung had conspired in the alleged forgery to be given full clemency.

One of the two parties embroiled in the sensational episode must be lying.

Now, the ball is in the court of prosecutors who are tasked with determining who made the false allegations.

Whatever the results of the prosecution investigation, one side will be dealt irrevocable damage, whether the Foreign Ministry or Choe and Kim Tae-chung's camp.

Foreign Minister Kong No-myong and Rep. Kwon No-kap, a 66-year-old protege of Kim Tae-chung, now leader of the main opposition National Congress for New Politics, filed libel suits against each other in the case in June last year.

The Seoul District Prosecutor's Office [SDPO] which earlier called in several witnesses for questioning, suspects that Choe forged the document, which the Foreign Ministry claimed to be originally titled, "Instructions for Gathering Information about the Operation of Local Autonomy Systems" in foreign countries.

The SDPO has called in Yi Tong-ik, commissioner at the Institute of Foreign Affairs and National Security, for questioning as a witness. Prosecutors are ready to bring Choe and Yi, who was ambassador to New

Zealand at the time, together for a face-to-face confrontation.

Kwon of the NCNP will be summoned for questioning sooner or later, while Cho Song-hyong, justice at the Constitutional Court, will likely be asked to present a written statement to prosecutors.

Earlier, Cho alleged that he did not know what was in the document and just delivered it to Kwon. He also filed a libel suit against then ruling party spokesman Pak Pom-chin.

ROK: NCNP Claims Ex-Diplomat 'Tricked' Into Confessing to Forgery

SK1305111896 Seoul YONHAP in English
0814 GMT 13 May 96

[FBIS Transcribed Text] Seoul, May 13 (YONHAP) — The major opposition National Congress for New Politics [NCNP] claimed Monday that Choe Sung-chin, former administrative attache at the Korean Embassy in Wellington, was tricked by the prosecution into falsely confessing to his forgery of an official document.

Choe was detained in the Seoul Detention House over the weekend on charges of doctoring and leaking a Foreign Ministry telegram in March last year in an attempt to make it look like the government was attempting to postpone the June local elections.

After interviewing Choe at the Detention House noon Monday, Yi Sang-su, chairman of the NCNP's Human Rights Ad Hoc Committee, asserted, "Choe was soothed by prosecution investigators after not being allowed to sleep, who offered to drop charges against him if he would make a false confession."

Afterward Yi made public a "statement of conscience" which he said was prepared by Choe alone.

The statement said, "Since I arrived in Seoul the prosecutors have kept me awake almost the entire time. I've made a false confession after they offered to drop the charges against me and have libel suits filed against Kim Tae-chung, Kwon No-kap and Foreign Minister Kong No-myong withdrawn."

The NCNP has decided to send a protest group headed by Vice President Yi Chong-chan to the justice minister and the prosecutor-general.

In a related move, Kwon No-kap, who publicized the allegedly altered document to the press last year, refused to comply with the prosecution summons Monday "in accordance with a party decision."

"Our party's Human Rights Committee, has confirmed in an interview with Choe, that the prosecution is

conducting an unethical investigation by resorting to intimidation and appeasement tactics. An expanded meeting of senior officers decided Monday that I should not respond to prosecution summons," Kwon told reporters.

ROK: Kim Yong-sam Asks Cabinet To Push 'Rational' Deregulation

SK1405042696 Seoul YONHAP in English
0248 GMT 14 May 96

[FBIS Transcribed Text] Seoul, May 14 (YONHAP) — President Kim Yong-sam instructed the cabinet Tuesday to continue pushing ahead with a "rational" deregulation drive on the basis of transparency, fairness and efficiency.

Kim issued the directive, pointing out that "without deregulation, we cannot elevate the productivity of our economy."

While presiding over a meeting of the Globalization Promotion Committee at the presidential office of Chongwadae Tuesday morning, the president said, "Deregulation calls for not only relaxation but also rationalization of regulations."

To follow rational procedures in introducing regulations is no less important than deregulation, the chief executive said. He then instructed the cabinet to formulate rules to be applied when new regulations are effected.

As to the proposed revamping of "blockage of policy restrictions" in the economic sector, Kim suggested that the deputy prime minister for economy display a firm will in carrying out the administrative deregulation program in collaboration with economic ministries.

The Education and Health-Welfare Ministries have volunteered to become pioneers in deregulation. Kim exhorted the two ministries "to demonstrate models by enforcing bold deregulations."

Kim asked the police to convert themselves into an organization enjoying public trust and affection by achieving "an epoch-making improvement" in public safety services.

"The police must spread among the public a perception that no criminals can get away unpunished," Kim added. "They should establish an image that the police are fair and firm in the execution of law, but are kind to the citizens."

Kim also said that more South Koreans should join international organizations to match the country's heightened status in the international community. He instructed the Foreign Ministry to actively promote Koreans' employment at world bodies "so that our voice

may be duly reflected in discussing and resolving a host of international issues."

The meeting heard three globalization reports. Kim Ki-hwan, a member of the Globalization Promotion Committee, presented "Deregulation Formula for Globalization"; Pak Il-yong, commissioner of the National Police Administration, "Formula for Improving Public Safety Services"; and Foreign Minister Kong No-myong "Formula for Expanded Employment of Nationals at International Organizations."

ROK Government To Launch 'Sweeping' Administrative Reform Program

SK1305055496 Seoul YONHAP in English
0539 GMT 13 May 96

[FBIS Transcribed Text] Seoul, May 13 (YONHAP) — The government will launch a sweeping administrative reform program to ease or remove thousands of rules restricting economic and social activities, especially those governing finance, land, labor, education, public health and welfare.

The Finance and Economy Ministry will set up a new office to implement the program and study ways of reforming the rules that hinder sustained economic growth in an era of global trade.

The Education and Health-Welfare Ministries in particular will be special targets for reform. Of the current 3,000 rules regulating education at all levels, only those deemed necessary for an education geared toward the 21st century will remain and the others will be scrapped.

These are the salient points of the administrative reform plan the globalization promotion committee will submit to President Kim Yong-sam Tuesday.

An official of the reform committee said, "the economic sector has lots of basic policies that were established during the development era, which have remained intact and form a block of restrictions. Such a blockade of restrictions has been left intact because of a need for a paradigm shift."

Guidelines for the relaxation of those restrictions will be issued to economic ministries by the presidential planning group for reinforcing national competitiveness.

The Finance and Economy Ministry will establish a terminal setup, perhaps of bureau size, that will exclusively administer and coordinate the proposed administrative reform program.

The new body will identify finance, land, labor, price and industrial policy regulations that need to be revamped, coordinate reform tasks among ministries to

ensure consistency and promote transparency in laws and decrees related to economic administration.

ROK: Finance Ministry Announces More Liberalization Measures

SK1405010396 Seoul THE KOREA TIMES in English
14 May 96 p 1

[Report by staff reporter Yi Chang-sop]

[FBIS Transcribed Text] In its efforts to join the Organization for Economic Cooperation and Development (OECD) this year, the government yesterday announced an additional opening of 47 business sectors, including law firms, newspaper publishing, petroleum service stations, intra-city bus services and all types of vocational training school, to foreign investment from 1997 through 2000.

This will push the nation's foreign direct investment liberalization rate to 97.5 percent in the year 2000, leaving only 44 industrial sectors off-limits to foreign direct investment out of the 1,148 business categories listed in the Korean Standard Industrial Classification, the Ministry of Finance and Economy said yesterday.

Even after the year 2000, the government will keep closed to foreign investment such sectors as cigarette manufacturing, medical insurance, aviation, horse racing, casinos, electricity power generation, real estate brokerage, broadcasting and social security services, the ministry said.

Deputy Finance and Economy Minister Om Nak-yong said, "We decided to open all the business sectors in which all OECD countries do not restrict foreign direct investment."

Late next month or in July, Korea will hold a critical meeting with OECD panels looking into capital flow and foreign direct investment practices here. The meeting is expected to decide whether Seoul gets an OECD seat or not, government officials said.

"Also to be opened are those sectors where no great negative impact on the economy is expected due to a lack of foreign interest and the strong competitiveness of local firms," Om said.

The latest measure is a revision of the nation's Five-Year Foreign Direct Investment Liberalization Plan of 1993. Each year, this plan has been revised to accelerate the opening of domestic industries, he added.

The ministry said the number of sectors to be opened, in part or in full, will be 28 in 1997, 11 in 1998, six in 1999 and two in 2000, it said.

In 1997, foreigners will be able to open up shop here to engage in arts and antiques dealing, to provide employment services, job placement, and private investigative, security and guard services and to manufacture explosives and pyrotechnics, the ministry said.

They will also be able to deal in retail and wholesale grain, manufacture starch and starch products, do air or land freight handling and offer intra-city business transportation services as well as aircraft ground services. In addition, offset printing and commercial printing by stencil plate or similar methods will be opened to foreign direct competition.

The ministry said it will also open such sectors as sea fishing, sea fish farming, and seeding and hatching of aquatic animals and plants as well as manufacturing of lubrication oil and greases, reprocessing of petroleum derivatives, and legal representation and legal services.

Here is the list of sectors that will be opened: —1998: Leasing of residential buildings, selling of residential and non-residential buildings, manufacture of "soju," insurance appraisal, insurance brokerage and activities auxiliary to insurance and pension funds, publishing of newspapers and periodicals, wireless telecommunications. —1999: Manufacture of ethyl alcohol, husking of cereal grains, manufacture of refined petroleum products and gas service stations, investment trust companies, international maritime freight transportation. —2000: Cattle husbandry and news agency services.

ROK: Defense Requests Bail for Former Presidents Chon, No

SK1105020896 Seoul THE KOREA TIMES in English
11 May 96 p 3

[FBIS Transcribed Text] Defense attorneys for former presidents Chon Tu-hwan and No Tae-u, and the 10 other defendants in the 1980 coup trial requested bail for their clients, submitting applications with the Seoul District Court yesterday for a constitutionality review of the extended arrest periods of the defendants.

The lawyers claimed that the extension of the arrest of the No and Yi runs counter to the Constitution in that the court extended their periods of physical detention "without applications from prosecutors."

The three judge panel presided over by Kim Yong-il issued the arrest warrant Thursday upon its own judgment that No Tae-u and Yi Hyun-u might destroy evidence, allowing the extension of the two's arrest period to Nov. 15 and Nov. 16, respectively.

As a result, the two will be tried under custody as before.

Requesting bail for them upon the closure of the first trial, the defense lawyers claimed that there is no possibility that the two former presidents might flee or destroy evidence.

The arrest periods of No Tae-u and Yi Hyon-u were due to expire next week, and that for Chon Tu-hwan was due to end on June 2.

ROK: Chon, No Face Expulsion From Veteran's Association

SK1105001496 (Internet) The Digital Chosun Ilbo
WWW in English 1204 GMT 10 May 96

[FBIS Transcribed Text] Former Presidents Chon Tu-hwan and No Tae-u and associates linked to Chon's military coup are facing expulsion from the Korean Veterans Association. It was disclosed on Friday that the chief of the association, Chang Tae-wan, said at a recent meeting of veterans said that "former Presidents Chon and No and major participants in the December 12 military mutiny should be stripped of their membership." The Korean Veterans Association will create an Expulsion Committee to discuss this issue further. It is expected that there will be some resistance. This is the first time that the association has considered expelling a member, which means that they would not be entitled to be buried at the National Cemetery at the time of their death.

ROK: Lawmakers Suspected of Underreporting Campaign Expenses

SK1205005996 (Internet) The Joong-Ang Ilbo WWW
in English 12 May 96

[FBIS Transcribed Text] The results of a tally made by the CHUNGANG ILBO revealed that the newly elected lawmakers of the 15th National Assembly officially reported spending an average of 60.71 million won.

The figure is not only far below the average ceiling of 81 million won legally stipulated for campaign funds, but also prosecutors' investigations revealed that candidates in numerous regions gave gifts and money to voters during the campaign in order to buy their votes. This leads to a strong suspicion that the newly elected parliament members under-reported the money they spent on campaign activities.

A fierce battle between political parties and elected lawmakers over this is likely to emerge as a hot political issue as the amount reported by each elected lawmaker will be made available for public inspection beginning May 13. The Election Management Committee also plans to launch a field investigation jointly with the Office of National Tax Administration.

The CHUNGANG ILBO's tally on the amount of money spent by the newly elected lawmakers during the 15th General Elections showed that an average of 60.719 million won was reported by the 221 newly elected parliament members.

ROK: Editorial on Possible 'Falsified Reporting' of Campaign Funds

SK1405005996 (Internet) The Digital Chosun Ilbo
WWW in English 1127 GMT 13 May 96

[Editorial: "Falsified Campaign Fund Records"]

[FBIS Transcribed Text] As expected, elected candidates for the April 11 general election reported to the Central Election Management Committee that they expended 58,000,000 won to wage their campaigns, far below the legal limit of 80,010,000 won. Our first interest is whether or not evidence of falsified reporting can be found by the election management committee. Based on such an investigation, we should seriously review the current election law. If it is found to be deficient, we must adjust the law to match the current situation so that we can realize true political reform.

The chronic operating principle that you must win whatever the cost leads to almost limitless spending by candidates. Despite a "reformed election law," elected candidates confessed that they spent funds to mobilize public opinion and to buy favors for voters, acting in ways not much different from previous elections. Voters therefore believe that there have been no changes in politics as usual.

In the United Kingdom about 100 years ago, election irregularities were abundant. Reports from investigations in eight electoral districts in 1880 revealed votes were bought in a number of districts which resulted in the wiping out of eleven corrupt districts and the promulgation of strong "law on preventing corruption and illegal activity." Under this law, half of the elected candidates positions were nullified and campaign funds were reduced by half, leading to the establishment of a new, clean electoral system.

Our election management committee should proceed to execute their work in a fair, rapid, and transparent manner with "a clear mission awareness" like the United Kingdom so that they are free from criticism by ruling or opposition parties that they are targeting certain persons. The committee should especially seek out the various secretive tactics by which real costs are hidden in falsified reports and mobilize professional accounting knowledge and tenacious tracking efforts in order to uncover instances of double bookkeeping and concealed contracts.

ROK: Three Former DP Lawmakers-Elect Join Ruling NKP*SK1305021896 Seoul YONHAP in English
0131 GMT 13 May 96*

[FBIS Transcribed Text] Seoul, May 13 (YONHAP) — Three former Democratic Party (DP) lawmakers-elect — Yi Kyu-taek, Choe Uk-chol and Hwang Kyu-son — joined the ruling New Korea Party (NKP) Monday.

Announcing their affiliation with the NKP at a press conference, Yi said, "We've joined the NKP because it has the same political view as we do. We've concluded that in the Democratic Party which is unable to form a floor negotiating group as a result of the recent elections we can't accomplish the generational change for political reform that is needed to prepare for the 21st century."

He added that they had thoroughly considered whether they could best serve the people in the Democratic Party or the ruling party before deciding to join the NKP.

"We'll do our best to help encourage a generational shift in politics by striving to overcome the counter-productive political wrangling and provincialism that has stood in the way of wholesome political development for too long," he remarked.

The ruling NKP now has 148 newly-elected parliamentarians, just two shy of a majority in the new 299-member National Assembly.

The ruling party, encouraged by the three new members, will continue to recruit more independent lawmakers-elect so that it gain a majority of the seats in the new session of parliament before it begins early next month.

ROK: Opposition Protests NKP's 'Continuing Efforts' To Secure Majority*SK1305070896 Seoul YONHAP in English
0653 GMT 13 May 96*

[FBIS Transcribed Text] Seoul, May 13 (YONHAP) — The opposition camp strongly protested Monday against the ruling New Korea Party (NKP)'s continuing efforts to gain enough parliamentary seats for a majority prior to negotiations to form the leadership of the 15th National Assembly and its standing committees, heightening tensions between the ruling and opposition parties.

The NKP won 139 seats in the April 11 general elections and has so far been able to increase that number to 148, just two shy of a majority, after bringing nine independent or minor opposition Democratic Party lawmakers-elect into its fold.

The ruling party is reportedly determined to start political negotiations with the opposition camp only after it has secured majority seats in the National Assembly.

Chong Tong-yong, NCNP [National Congress for New Politics] spokesman, accused the NKP of employing "arrogant politics of not recognizing the opposition parties as dialogue partner." "If there is no other choice the opposition camp cannot help but take action to protest," he warned.

Kim Hong-sin, spokesman for the Democratic Party (DP), said that the real intention of the Kim Yong-sam regime has been clearly demonstrated by NKP manipulations seeking to destroy the DP. Kim's verbal attack came in the wake that three former DP lawmakers-elect — Yi Kyu-taek, Choe uk-chol and Hwang Kyu-son — formally announced their joining in the ruling party Monday.

"Together with all the people, we will continue to denounce the shameless immorality of the NKP," the novelist-turn-politician said.

Rep. Pak Sang-chon, floor leader of the NCNP, and Rep. Yi Chong-mu, Pak's counterpart from the United Liberal Democrats (ULD), will soon meet to discuss legal and political countermeasures.

The opposition parties have warned that they would not participate in negotiations to form the leadership and standing committees of the 15th National Assembly.

In spite of the opposition camp's protest, the ruling NKP plans to continue its attempt to recruit independent lawmakers-elect to join the ruling party.

An NKP official said that the new NKP Chairman Yi Hong-ku's plan to pay courtesy calls on opposition party leaders has been postponed. "Our dialogue with opposition parties will be possible only after we have secured more than half the parliamentary seats," a senior party official said.

NKP floor leader Rep. So Chong-won said, "It is natural that independent lawmakers-elect join a political party, and we cannot prevent those who share our ideas and agree with our policies from joining our party."

However, So hinted that the NKP will continue to push for contacts and dialogue with opposition parties, emphasizing that the negotiation for opening of the 15th National Assembly and NKP's efforts to induce independent lawmaker-elects to join the party are two different things.

"We are not considering opening the National Assembly unilaterally," So said.

**ROK: NKP 'Slackening' Push To Recruit
Opposition Lawmakers**

SK1205013196 *Seoul THE KOREA HERALD*
in English 12 May 96 p 2

[FBIS Transcribed Text] The ruling New Korea Party [NKP] is slackening its push for the recruitment of opposition lawmakers-elect to build a congressional majority.

At the apparent urging of the ruling party, several lawmakers-elect have bolted from their opposition parties. But the ruling party is not rushing to admit them.

The ruling party's move is in contrast with its earlier drive to draw in not only independent but also opposition lawmakers-elect to control the 299-member National Assembly.

Leaders of the ruling party, which won 139 legislative seats in the April general elections, 11 shy of a congressional majority, vowed to build that majority before the National Assembly opens its inaugural session June 5.

But the party, which has since added six seats by recruiting independent lawmakers-elect, has stopped its foray into opposition parties in the face of their strong protests.

In response to the ruling party, two major opposition parties—the National Congress for New Politics and the United Liberal Democrats—allied and threatened to boycott negotiations on the operation of the National Assembly during its inaugural session. Kim Tae-chung and Kim Chong-pil, the leaders of these two parties, had previously been long-time rivals.

Members of the minor opposition Democratic Party also staged a sit-in protest for several days against the ruling party's attempt to take away their lawmakers elect.

Despite these protests, the ruling party is not withdrawing its plan to recruit opposition lawmakers-elect. Instead, it is simply slowing down its pace to pave the way for negotiations with the opposition on the sharing of National Assembly posts and the agenda for its inaugural session.

Ruling party Secretary-General Kang Sam-chae indicated that his party will continue to draw in opposition lawmakers-elect.

"We are opening our doors to any who wish to join our party," Kang said last Thursday.

Rep. So Chong-won, the party's parliamentary floor leader, also said his party has no intention of keeping those deserters from being admitted to the party.

Party sources said, however, that the party is now abstaining from reaching out to opposition lawmakers-elect for the time being.

There will most likely be no more opposition lawmakers-elect bolting from their parties until the National Assembly is inaugurated June 5, said the sources.

The ruling party may have judged that it is not desirable for the party to upset the opposition parties ahead of the inauguration of the new National Assembly.

With the exception of the Democratic Party [DP] which did not win enough seats to form a negotiating bloc, the parties are expected to start negotiations early this week over the opening of the new National Assembly.

While soothing the opposition parties, the ruling party may concentrate on recruiting some of the 10 remaining independent lawmakers-elect for now.

But political analysts said the ruling party will resume its efforts to bring in opposition lawmakers-elect after the National Assembly is inaugurated, adding that its major target will be 12 lawmakers-elect of the small Democratic Party, which is on the brink of collapse.

The ruling party expects that some DP lawmakers-elect will join the party after the opposition party holds its national convention early next month.

ROK: NKP Reshuffles Middle-Echelon Post Holders
SK1105112296 *Seoul YONHAP in English*
1024 GMT 11 May 96

[FBIS Transcribed Text] Seoul, May 11 (YONHAP) — President Kim Yong-sam, who heads the ruling New Korea Party [NKP], carried out an overall reshuffle of the party's middle-echelon post holders over the weekend, reflecting his pledge of generational shift in politics.

Kim appointed Rep. Kim Hyong-o, 49, to chair the Research and Planning Committee, Rep. Yi Chae-myong, 48, the Organization Committee, and Rep. Pak Chu-chon, 56, as senior deputy floor leader.

Given the so-called "three big posts" are all relatively young and two-term lawmakers, [sentence as received] Kim served as deputy spokesman for the Liberal Democratic Party, the predecessor of the New Korea Party. Yi headed planning and research at the Daewoo Group before plunging himself into politics, while Pak worked as a deputy floor leader in the 14th National Assembly.

Rep. Pak Se-chik, former Seoul mayor, was named to head the Globalization Promotion Committee; lawyer-elect Han Sung-su, former chief presidential secretary,

the National Policy Advisory Committee; Rep. Pak Myong-hwan the Central Training Institute; Rep. Pak Hon-ki the Central Disciplinary Committee; and Rep. Cha Su-myong the Finance Committee.

Lawmaker-elect Hwang Pyong-tae, former ambassador to China, was named to chair the Peaceful Unification Committee; another lawmaker-elect Yi Sin-hyang to head the Disaster Measures Committee; and still another lawmaker-elect Cho Ung-kyu to head the North Korean Compatriots Committee.

The New Korea Party appointed Rep. Son Hak-kyu first Policy Coordination Committee chairman; Rep. Yi Kang-tu second Policy Coordination Committee chairman; Rep. Chong Yong-hun third Policy Coordination Committee chairman; and lawmaker-elect Kim Kwang-un Petition Committee chairman.

Commenting on the appointments, party spokesman Kim Chol said, "Efforts were made not only to disregard the region and the number of parliamentary terms, but also to eliminate considerations for factions. Stress in screening was placed on efficacy in working performance like competence and driving force."

By completing the reshuffle of its middle-echelon post holders Saturday, following that of key postholders Wednesday, the government party has virtually completed its personnel realignment in a month since the April general elections.

President Kim plans to appoint National Assembly speaker, one vice speaker and eight or nine standing committee chairmen to be allocated to the ruling party toward the end of the month.

The opening session of the 15th National Assembly is slated for June 5.

Kim intends to name the NKP's Central Executive Council members and advisors at the same time.

ROK: NKP Chairman Comments on Timetable To Elect Presidential Candidate

*SK1305024196 Seoul YONHAP in English
0216 GMT 13 May 96*

[FBIS Transcribed Text] Seoul, May 13 (YONHAP) — Yi Hong-ku, chairman of the ruling New Korea Party [NKP], advocated Monday nominating the party's next presidential candidate by mid-1997, several months earlier than called for by party rules.

"According to the party rules, the next presidential candidate is to be nominated in autumn next year. But I think the nomination should come by mid-1997 by advancing the timetable somewhat," Yi said in a radio talk show with the Christian Broadcasting System.

Presidential hopefuls in the government party are in "complete agreement" that they should refrain from discussing the forthcoming presidential nomination this year, Yi said, adding, "There is no dissent on this matter within the party."

This is the first time for an NKP leader to officially refer to the timing of its next presidential candidate nomination.

Yi, who assumed NKP chairmanship earlier this month, indicated that it would be some time before he could pay courtesy calls on opposition leaders as he said he would. "Personally, I'd like to visit and greet them. It is also proper to do so. But don't you agree that I should do so at a time when it would be of some help to resolving overall issues?"

Yi made it clear that the ruling party will continue its efforts to secure a parliamentary majority, disregarding the opposition's complaints, by saying, "It's enough that United Liberal Democrat lawmakers-elect don't join our party. That's different I think that independent legislators-elect can join our party."

The NKP, which won 139 seats in the April general elections, has managed to increase that number to 148, just two seats shy of a majority in the 299-seat unicameral parliament.

ROK: Yi Hoe-chang Urges 'Contest' To Select NKP Presidential Candidate

*SK1405041296 Seoul YONHAP in English
0324 GMT 14 May 96*

[FBIS Transcribed Text] Seoul, May 14 (YONHAP) — Former Prime Minister Yi Hoe-chang, who is reported to be among the ruling New Korea Party [NKP]'s presidential hopefuls, said Tuesday the ruling party should pick its candidate for the next presidential election through "a real contest."

In an interview with "The HANGYORE 21," a weekly published by the HANGYORE SINMUN, he opposed the past practice of holding a national convention to give an ex-post-facto consent to the presidential candidate who was already nominated by the party's head.

Yi, who served as the ruling party's campaign manager in the recent general elections, was elected to the parliament as the top of the party's proportional representation list of parliamentary candidates.

President Kim Yong-sam, as a member of the ruling party, may express his opinion about the party's candidate for the coming election, but the nomination according to the election process he makes would run counter

to the spirit of an open and fair competition, he remarked.

"I think the presidential competition the party constitution provides for is a real contest," he stressed.

Asked if he would take part in the race for the ruling party's presidential nomination, however, he said he had not yet made up his mind.

ROK: NCNP Lawmaker Urges 'Open Competition' for Presidency

SK1405024296 Seoul YONHAP in English
0118 GMT 14 May 96

[FBIS Transcribed Text] Seoul, May 14 (YONHAP) — A leader of the main opposition National Congress for New Politics (NCNP) on Monday openly called for his party to decide its presidential candidate through open competition.

Kim Sang-hyon, chairman of the NCNP Guidance Committee, said, "If we are to see to it that legitimate democratic politicians grasp power next year, we should nominate a national candidate who is elected by vote of representatives from all district chapters across the country."

Delivering a special lecture to the Social Development School of the Chungang University, he said that a political culture respecting open competition must be established if the party considers the people and history.

His remarks hint that he may participate in the competition to elect a presidential candidate.

He hoped, however, that Kim Tae-chung, the president of his party, will be nominated as the party's candidate. "Frankly, I hope that the competition will give party president Kim the opportunity to take power. He has contributed more than anyone else to democratization of this country."

ROK: NCNP Demands Foreign Minister's Dismissal

SK1005150796 Seoul YONHAP in English
1041 GMT 10 May 96

[FBIS Transcribed Text] Seoul, May 10 (YONHAP) — The opposition National Congress for New Politics

(NCNP) Friday afternoon demanded that Foreign Minister Kong No-myong be dismissed forthwith, charging Kong with scheming to drag NCNP head Kim Tae-chung into the case of Choe Sung-chin, a former staffer of the Korean Embassy in New Zealand accused of doctoring and leaking a sensitive diplomatic document.

NCNP Spokesman Chong Tong-yong noted that upon being taken to Kimpo Airport Friday morning, Choe stressed in an airport interview that ranking Foreign Ministry officials called on him in New Zealand telling him that the government would pardon him if he "testified" he doctored the document in collaboration with Kim Tae-chung.

"It is an illegal act going beyond their duties that public officials who are supposed to be impartial politically tried to persuade and threaten Mr. Choe in a scheme to drive Mr. Kim Tae-chung into a political difficulty," the spokesman said.

The government, he said, should fire Minister Kong for overseeing the conspiracy and the prosecution should arrest the public officials involved.

This is the second NCNP demand for Minister Kong's departure in a day. Earlier in the day, the major opposition party said Kong should resign for the "diplomatic blunder" suffered during his recent trip to Moscow.

ROK: Daewoo Heavy Industries Develops Surface-to-Air Missile

SK1005021796 (Internet) The Digital Chosun Ilbo
WWW in English 1222 GMT 9 May 96

[FBIS Transcribed Text] Daewoo Heavy Industries is currently developing the "Pegasus" mobile surface-to-air short range missile. The missile has a range of 10 km, and is mounted on an armored vehicle with eight launchers. The missile will be deployed around the end of the 1990's. Successful test launches were conducted at the beginning of last year.

Burma**Burma: Suu Kyi: National Reconciliation Can Make SLORC 'Happy'***BK1405094696 London BBC in Burmese to Burma 1345 GMT 13 May 96*

[Report on an interview with Aung San Suu by BBC correspondent (Farsa King) in Rangoon from the "Current Affairs Program"; date not given — passages in quotation marks recorded]

[FBIS Translated Text] (Farsa King) first asked in English: "Can I just ask you if you have been in any way downhearted by the level of repression that is taking place?"

Aung San Suu Kyi replied in Burmese: "I do not get downhearted. The difficulties make us work harder and this enables us to improve our capability. We never get downhearted. Being on the side of truth, we believe that we will be successful."

(Farsa King) asked whether the current government action of imprisoning NLD (National League for Democracy) members surprised her?

Aung San Suu Kyi replied: "There is nothing surprising about it. We have been subjected to it for eight years and we have already anticipated the authorities viewing us in a more negative light after we left the National Convention."

When asked what she would like to say at a time when [the people] are wondering if there will be any change at all, Aung San Suu Kyi replied: "The truth always prevails. There is no reason for us to have doubts about this. However, if we want democracy to come quickly and to implement the reforms we desire more rapidly, all should help in their respective capacities."

When asked by (Farsa King) what she would you like to say to the current generals in power, Aung San Suu Kyi replied: "We hold no personal grudges against the SLORC [State Law and Order Restoration Council]. If they work with us toward national reconciliation, it will make SLORC members very happy as well. A government that rules without the consent of the people can never be happy. If we work together in accordance with the wishes of the people, it will bring much satisfaction and happiness to us as well as the SLORC."

Burma: SLORC Soldier Defects to ABSDF With Weapon, Ammunition*BK1405003596 Oslo Democratic Voice of Burma in Burmese 1430 GMT 13 May 96*

[FBIS Translated Text] Lance Corporal Maung Nyo, personal number 81666, from the SLORC's [State Law and Order Restoration Council] 391st Light Infantry Regiment under the No. 77 Light Infantry Division, defected with one M-9 automatic rifle, five magazines, and 350 rounds of ammunition to the ABSDF [All Burma Students' Democratic Front] through the 102d Battalion of the Karen National Liberation Army, KNLA, on 26 April 1996.

Lance Corporal Maung Nyo defected to the ABSDF because he was fed up with the unfair treatment by the SLORC commanders, and their discrimination of the national races. He pledged to fight against the evil SLORC commanders. He noted there are many SLORC soldiers like him who want to defect to the revolutionary forces. He pledged his willingness to carry out revolutionary duties together with the student army.

Lance Corporal Maung Nyo was warmly welcomed by responsible commanders from the ABSDF 3d Battalion and KNLA forces.

Burma: Eleven MTA Members Surrender in Mong Hsat 30 Apr*BK1305163696 Rangoon Radio Myanmar in Burmese 1330 GMT 13 May 96*

[FBIS Translated Text] In accordance with political objectives, the State Law and Order Restoration Council [SLORC] is striving to achieve national consolidation so as to establish a peaceful, tranquil, stable, modern, and developed nation. Since 5 January, the SLORC's good heart, genuine goodwill, and its undertakings have forced MTA [Mong Tai Army] members to unconditionally surrender with their weapons to the Defense Services, and return to the legal fold.

A total of 11 MTA members, led by Sergeant Inta Waing of the MTA's Battalion-11, returned to the legal fold at Mong Hsat military camp on the evening of 30 April. They brought one M-16 assault rifle, one M-22 assault rifle, one AK-47 assault rifle, and 29 rounds of assorted ammunition. They were welcomed by responsible personnel and provided needed assistance.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: UMNO, Iraqi Ruling Party To Sign Cooperation Protocol

BK1405091596 Kuala Lumpur THE STAR in English
14 May 96

[BERNAMA report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Iraq's ruling Arab Ba'ath Socialist Party and UMNO [United Malays National Organization] will sign a protocol of cooperation to strengthen relations.

Hamid Rashid al-Rawi [spelling as published], a senior member of the Iraqi party, said the pact would enable the two parties to share their experiences for mutual benefit.

Speaking to reporters after calling on UMNO secretary-general and Information Minister Datuk Mohamed Rahmat at the UMNO headquarters yesterday, Hamid said Arab Ba'ath and UMNO would also exchange visits by party delegations.

Hamid said Iraqi President Saddam Husayn and Deputy Prime Minister Tariq 'Aziz have conveyed their congratulations to Datuk Sri Dr Mahathir Mohamed and UMNO in conjunction with the party's golden jubilee.

Malaysia: Foreign Fishermen, 4 Boats Detained off Sarawak

BK1005095996 Kuala Lumpur NEW STRAITS TIMES
in English 9 May 96 p 11

[Unattributed report]

[FBIS Transcribed Text] Kuching, Wed — Sarawak Marine Fisheries Department's patrol boats have detained four foreign fishing boats and arrested 26 fishermen for encroachment into waters off Sarawak's coast over the last two days.

Sarawak Marine Fisheries Department's director Abdul Hamid Shukor said that two boats, both from Vietnam, were detained on May 6 while two from Indonesia were detained this afternoon.

He said that 10 fishermen, aged from 16 to 50 years, from the first boat and 11 others, aged 12 to 66, from the second boat were arrested by the patrol boats.

Malaysia: Opposition Leaders View Faults of Seventh Plan

BK0805181396 Kuala Lumpur NEW STRAITS TIMES
in English 7 May 96 p 2

[Unattributed report]

[FBIS Transcribed Text] Kuala Lumpur, Mon — Opposition Leader Lim Kit Siang today said successes achieved by the country had to be viewed from the right perspective for despite progress made, there was also an "ugly dimension and hidden aspect" which had raised concern.

He said Prime Minister Datuk Sri Dr. Mahathir Mohamed had painted a rosy picture on the success of the Sixth Malaysia Plan.

Commenting on the Seventh Malaysia Plan tabled by Dr. Mahathir in the Dewan Rakyat [lower house of parliament] today, he said among the concerns were Bank Negara's [central bank] losses in foreign exchange dealings, the huge debts incurred by Perwaja Terengganu [steel company] and the crisis affecting the integrity and independence of the judiciary, all of which occurred during the previous Malaysia Plan.

Lim said the Government must not give the impression that Malaysia was the strongest and fastest-growing economy.

He claimed it had also failed to adequately address problems of corruption, adding Malaysia should learn from the episode involving two former South Korean presidents who were now being tried for alleged corrupt practices.

He said a change was needed in the policy besides the Government's willingness to be more open in its administration.

On whether the Seventh Malaysia Plan was adequate to overcome the shortcomings, he said: "It depends on whether the Government is prepared to deal with the issues raised by us (Opposition)," he said, adding that the existing problems must not be allowed to continue.

Parti Melayu Semangat 46 [malay party spirit of 46] president Tengku Razaleigh Hamzah, while commending the Seventh Plan aimed at transforming the country's economy into a productivity-driven one, said he feared the welfare of the underprivileged might be sacrificed for development.

He said this was evident in the absence of a more aggressive plan to provide low cost housing and combating corruption.

Tengku Razaleigh supported the move to reduce the country's dependence on foreign workers while maximising the local labour force by increasing productivity.

"There is no doubt that this can be achieved if it is properly planned and implemented," he said, citing programmes to train and upgrade skills among youths which would produce a locally-trained and productive workforce.

"However, there are still many things to be resolved. Corruption is one of the main problems which poses a threat to the country's stability."

On the performance of the Sixth Plan, Razaleigh said it had achieved success but not up to the target.

DAP [Democratic Action Party] deputy secretary general Lim Guan Eng said the Seventh Plan had failed to address issues such as low cost housing and measures to fight corruption.

Malaysia: Daily Hails High Technology Program Under Seventh Plan

BK0905121796 Kuala Lumpur NEW STRAITS TIMES in English 8 May 96 p 14

[Editorial: "Techno-Driven Plan"]

[FBIS Transcribed Text] Too often, the temptation to cling to the known and the proven is part of the human psyche. Thus the impressive achievements of the Sixth Malaysia Plan should be reason enough for it to tread the same path into the 21st century. Yet, uncharted though the territories, new routes will have to be explored, which the Seventh Malaysia Plan now requires, so that its successive high growth rate is substantiated and built upon, and in order that the gains of previous plans are not frittered away while it hibernates in its successes.

A new dimension is necessary since the country seems to be at the crossroads. With global trade liberalisation, the marketplace is somewhat crowded and, with depleting manpower to outnumber the competitors, are reliant on the equivalent of soldiers of fortune. In seeking to fortify its defenses, the weaponry being advocated in the Seventh Plan is human capital with the shift from a labour-driven input to productivity growth and technowizardry. This is strategically sound, for, with full employment and rising labour costs, it would be increasingly difficult to compete with its newly-industrialising neighbours. At the same time, the lack of skilled manpower places it at a comparative disadvantage with the skilled labour force of the more industrialized countries.

The country needs to invest heavily and speedily in R&D [research and development] and training, and hu-

man resource development if it is to decide to leave the safety of the poolside and venture into a bigger pool and in order to facilitate its transition from a giant ikan bilis [anchovy] into a baby whale. The huge allocation for public education, R&D, and the sensitising of industries and personnel on the importance of technologically-sophisticated industries and commercialisation are initiatives necessary to support this new dimension, to pluck it out of the quagmire of rhetoric and plonk it into mainstream life.

However, a push for productivity, quality and reorientation of focus to a competitive-driven work culture and technologies may be more elusive goals since they require qualitative more than quantitative inputs by individuals working collectively. It requires very strong participation from every level of society and outstanding leadership abilities, without which the future is less certain. For this reason and, as the PM [prime minister] says, "the success of the Seventh Plan, and in particular the new thrusts will depend on the commitment, determination and dedication of all of us," and that the people charged with carrying out the plan know the objectives of the plan well, and the roles they have to play. The opinion of one former top civil servant that the private sector cannot respond to the call to be the engine of growth without the support of the civil service should provide a good beginning for the necessary changes in work culture and mindsets in the workplace and offices.

Alongside the continued pursuit of industrialisation programmes, investment, redistribution of wealth, infrastructural investment, privatisation, sound leadership and stable administration which have fed its growth so far the new dimension on human input and technocentric industries should help produce a superior defence against competing economies. Dare we hope that by the year 2000, Malaysian technology is so established that Proton [made-in- Malaysia] cars need no longer be promoted as a "Malaysian design with Japanese technology"?

"Malaysia Boleh" [Malaysia can make it] must form the pad from which the future is launched.

Malaysia: Opposition Leader Confirms Return to UMNO

BK1005065096 Kuala Lumpur BERITA HARIAN in Malay 10 May 96

[Unattributed report — received via Internet]

[FBIS Translated Text] Kuala Lumpur, Thursday — Tengku Razali, Parti Melayu Semangat 46 (S 46) [Malay Party of the Spirit of 46], has confirmed that he will be rejoining UMNO [United Malays National

Organization] for the sake of strengthening solidarity among Malays in the country.

However, he did not give a time-frame for the cross-over because he wants to do so together with the rest of his S 46 members.

He said that unity among the Malays will be imperfect as long as there is a division within the group.

Speaking at a press conference at his residence here this afternoon, Tengku Razali said: "I feel that the solidarity of Malays will not be firm and strong as long as there is a lack of understanding and unity among all forces in the group. So, Prime Minister Datuk Sri Dr. Mahathir Mohamed's statement that I am rejoining UMNO in the future is right."

S 46 Vice President Datuk Zainal Abidin Zin, Secretary General Datuk Manan Othman, and Information Chief Ahmad Shabery Chik were also present at the press conference.

Dr. Mahathir confirmed yesterday that Tengku Razaleigh will be rejoining UMNO.

Tengku Razaleigh said that to make sure that he could rejoin UMNO with the others, he would have to hold a meeting with members of his S 46 party after 11 May to explain the matter to them and get their mandate to join.

"I have told Dr. Mahathir that if there is any effort to return to UMNO, I would have to do together with the others. I cannot bring along one group and leave the other; we are not known for being regular party crossers.

Out of love for my race, I would like to join a plan that is advantageous to our race. Therefore, it is better for us to be united. I have not decided on the date of rejoining UMNO — maybe sooner or later," he said.

He said that if the S 46 members gave their mandate to cross-over, they would have to work out the legal implications of dissolving the party.

"I am confident that, God willing, they will agree to join UMNO, he said.

Tengku Razaleigh said, the meetings between Dr. Mahathir and himself were conducted in his capacity as the S 46 president and with the approval of the party's Supreme Council members.

Earlier, he had given a deep thought to the plan to hold meetings with Dr. Mahathir and then decided to go ahead with the objective after placing the solidarity of the Malays on top priority.

He said after the general elections last year, the S 46 and the PAS [Pan Malaysian Islamic Party] held a three-

hour meeting, during which he indicated his intention to see Dr. Mahathir to forge further cooperation.

However, PAS did not do so. Due to this, S 46 had to take the initiative for the sake of enhancing the solidarity of Malays.

Asked whether his new move would mend his relationship with Dr. Mahathir, Tengku Razaleigh said that he had never had any differences with the prime minister.

"I only disagreed with Dr. Mahathir's policies. Even now, I disagree with some of his policies," he said.

Tengku Razaleigh says he has not asked for anything in return for joining UMNO.

"I would like to state that we have not asked for anything from the prime minister, not for any position in the ruling party or positions somewhere else."

In connection with the statement by Kelantan Chief Minister Datuk Nik Abdul Aziz Nik Mat that his return to UMNO would solve many problems in the state, Tengku Razaleigh said: "I hope God will answer the prayers made to him."

Singapore

Singapore: Editorial Urges Final Settlement of Sino-U.S. Trade Dispute

BK1405092096 Singapore THE STRAITS TIMES
in English 13 May 96 p 26

[Editorial: "Must This Happen Every Year?"]

[FBIS Transcribed Text] United States President Bill Clinton's approval of a plan last week for the United States to move ahead with sanctions on Chinese exports if Beijing fails to stop the production of pirated American software, movies, and music turned the searchlight on an issue that continues to bedevil their bilateral relationship. American anger is understandable. Intellectual property rights (IPR) protect a diverse range of goods from compact discs to computer software that contribute to the competitive edge of nations in a world driven increasingly by advances in such fields. U.S. leadership in them is a recognized fact. When pirates strike, they not only steal the inventions of companies, which have invested money and painstaking research to produce the goods, but they also erode the competitive profile of the country. It was for this reason that Washington invested much time and energy in negotiations with China which led to a bilateral agreement on IPR protection signed in February last year. Unfortunately, the results have not dispelled American concerns over Beijing's implementation of the pact. Hence the reemergence of the issue

this month, and the threat of sanctions if the situation does not improve.

The problem is two-fold. One is that controlling lower-end piracy — of goods such as compact discs — is not easy given both the easy availability of technology for doing so, and the difficulty of policing a large and far-flung country. A Chinese official was adamant that his government's laws and anti-piracy operations fulfilled its obligations under last year's accord, though he added that it would "continue to intensify law enforcement." Given that counterfeit profits depend on price differentials between the genuine and the fake products, one solution may lie in U.S. companies setting up plants in China to produce those goods more cheaply for the domestic market, thus cutting the ground from beneath the pirates' feet. A similar approach was adopted by British publishers, which teamed up with publishers in India and released new books there at far lower prices than for the British editions — before the latter were released, so as to mop up demand and prevent counterfeiting.

The larger problem is that trade problems, real though they are, are held hostage by political factors, resulting in a cycle of threatened sanctions and promised retaliation that goes beyond the issues at stake and affects the overall bilateral relationship. In this context, it is difficult to dismiss the Chinese contention that the United States is singling it out, given that copyright violations exist in many other countries which do not come under the kind of censure that China does. What appears to be the case is that American groups and politicians opposed to Chinese policies in other fields find IPR a useful handle to use against it. In an election year, such pressures come to a head, complicating matters and casting a shadow on ties between the world's two most powerful nations, a development that has the potential to affect other countries. The political dimension is most palpable in the annual ritual of recriminations and threats that precede the renewal of China's Most Favored Nation trading status, though U.S. officials have emphasized that a Bill, demanding higher tariffs on imports from China on IPR grounds, would not be a factor in a decision on whether to renew the status, which expires on June 4.

Surely, then, while Beijing must be seen to be doing more on the copyright front, the United States must find a less discordant and disruptive way of settling its trade disputes with China. There is already a pattern for this: the way in which trade differences with Japan, which were no less severe and grating just a few years ago, have been managed so as not to spill over into the larger relationship. What is at stake in this round is a bilateral relationship which, given the power of each

side, has global ramifications. Protecting intellectual property rights is necessary; protecting the international environment which Sino-U.S. relations help to underpin is, if anything, a more critical challenge.

Singapore: Goh Appeals for Support To Ensure Social Cohesion

BK1405044096 Singapore THE SUNDAY TIMES in English 12 May 96 p 1

[Report by Wang Hui Ling]

[FBIS Transcribed Text] Prime Minister Goh Chok Tong yesterday called on Singaporeans who are better-off to back his government's efforts to level-up lower-income Singaporeans, arguing that these were needed to maintain social cohesion here.

They should not view asset-enhancement schemes such as the Housing Board upgrading program, with envy and insist that the government upgrade their private estates as well since they paid taxes.

Instead, they should see these programs as part of a wider social contract which extended to other members of the "Singapore family".

"As long as the asset-enhancement schemes do not lead to welfare dependency they should support them as essential for maintaining social harmony. They being the stronger runners, should help the weaker runners finish the race," he said.

Speaking at the Singapore Federation of Chambers of Commerce and Industry's first annual dinner, the prime minister also argued that while individuals could choose to slow down to smell the roses, this was not an option open to the country as a whole.

"The harsh fact is that as a nation, we actually do not have a choice but to keep working hard and pursue economic growth. People have to eat and jobs must be created for them," he told the 800 businessmen and corporate chiefs at the event held at the Shangri-La Hotel.

Noting that some individuals did take time off to do good deeds overseas or recharge their batteries, he said they did so on the assumption that they could get back on track when they chose to.

"Individuals can afford this luxury only because as a nation we have chosen to stay in the competitive race and not take a break to cool off at the side-lines. Fighting the economic battle will continue to occupy our national attention," he said.

In his 15-minute speech, he noted that some Singaporeans wondered why Singapore had to keep on "running

after growth and excellence, and not stop to rest our legs."

Taking up the point, he said the country was at a "critical point in the marathon of material well-being". It could become the first developed country in the tropics, if it did not let up.

"The next lap is tougher, even given the best weather, because many runners already feel stressed and exhausted. Also, the line of runners is beginning to stretch out, with the strongest and ablest in front and the weakest far behind.

"The question is whether we continue the run and if so how do we ensure that all will complete it?"

For the government, the choice was clear. "We have to keep on running to attain an even higher standard of living for Singaporeans."

But, he added, the government was also aware that over-emphasis on material well-being could warp a people's values. This was why it was re-emphasizing values, small-kindnesses, graciousness, and building bonds among the people.

Looking ahead, Mr. Goh said the economic picture for the next 10 years was rosy. But there were potential problems: some workers were starting to feel left behind in the economic race.

"For our economy to continue to perform well, we need to find a way to prosper without losing the support of large sections of the population," he said.

The government's asset-enhancement schemes were meant to share Singapore's prosperity with the lower-income groups, or level them up, he added.

"For many lower-income Singaporeans, such schemes mean a lot. Having a share of the wealth strengthens their support for those who create wealth ... By sharing the fruits of our prosperity with all Singaporeans, we bring them on board our common mission to make Singapore prosper."

Concluding, he said that to win against foreign competition, the business community, workers, unions and the government, would all have to work together, as part of the larger Singapore family.

He added: "Our success must then be shared with all members of the family. This has been our formula for economic prosperity and social stability. We should treasure it."

Indonesia

Indonesia: Military Chief Meets With Visiting PRC General

BK1405075396 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 14 May 96

[FBIS Translated Text] ABRI [Armed Forces of the Republic of Indonesia] Commander General Feisal Tanjung and Lieutenant General Xiong Guangkai, deputy chief of general staff of the Chinese People's Liberation Army, held talks on the expansion of visits between the officers of the two armed forces to enhance military professionalism. The talks were held when Gen. Feisal Tanjung received a courtesy call from Lt. Gen. Xiong Guangkai at the ABRI headquarters in Jakarta today.

The two military leaders exchanged views on ways to boost ties, especially between the armed forces. Gen. Feisal stressed the two countries need peace and stability to carry out national development in all areas to enhance prosperity in society.

Indonesia: Taiwan Economics Minister Addresses Trade Center Opening

OW1405103896 (Internet) Taiwan Central News Agency WWW in English 0808 GMT 14 May 96

[By Wu Ping-chiang]

[FBIS Transcribed Text] Jakarta, May 14 (CNA) — Indonesia is the most important trading partner of the Republic of China (ROC) among Southeast Asian countries, and is also the most friendly one, said ROC Economics Minister Dr. P.K. Chiang.

Speaking on the occasion of the opening of the Taiwan Trade Center (TTC) in Jakarta Monday [13 May] night, Chiang pointed out that there are plenty of business opportunities between the two countries.

Last year, the ROC imported from Indonesia more than 6 million tons of coal, about 22 percent of ROC's total importation, in addition the ROC also imported 2 million tons of LNG (liquefied natural gas) from Indonesia, about 84 percent of ROC's total import of that commodity.

"We also imported, in the past year, more than 19 million barrels of oil from your country, representing more than 11 percent of our total needs," Chiang said.

He noted that last year, the ROC exported more than U.S.\$1.8 billion worth of goods to Indonesia.

"We produced the best quality capital goods for your economic development, and I am sure our two-way trade will further increase," the economic minister said.

The opening ceremony was held at the Jakarta Grand Hyatt Hotel and was presided over by Ronie H.K. Huang, secretary general of the China External Trade Development Council (CETRA).

Indonesia: Editorial Views Controversy Over National Car Policy

BK1305133596 Jakarta KOMPAS in Indonesian 13 May 96

[Editorial: "Putting Up With Pressure on the Timor National Car Policy" — received via Internet]

[FBIS Translated Text] There is mounting pressure over the government policy to produce the Timor car locally. This can be seen in Japanese press reports. NIHON KEIZAI SHIMBUN, Japan's leading economic newspaper, has reported Japan's plan to reduce car production in Indonesia. Earlier, the JAPAN TIMES daily reported that PT Toyota Astra International was considering reducing its local employees by 1,000. Toyota sources in Jakarta corrected this distressing news by saying that the automobile firm will not extend the contracts of 150 of the 1,000 workers.

THE ASIAN WALL STREET JOURNAL on 8 May quoted the U.S. Trade Representative's Office as stating that it will meet with the Indonesian Government to discuss the Timor car policy. The meeting is scheduled to take place in November when U.S. and Indonesian officials attend the APEC preparatory meeting in Cebu City, the Philippines. The U.S. official said: The February policy on the production of Timor cars, which allows for tax exemption among other things, is not consistent with Indonesia's commitment to the World Trade Organization and to Indonesia's objective of drawing more investment from the United States and other countries.

Earlier, EU Vice President Sir Leon Brittan voiced similar criticism in disagreeing with the national car policy.

Now we have homework to do. The government should explain its position to these foreign parties through several channels. Confusing perceptions and reactions will not be advantageous for Indonesia.

Obviously there is a competitiveness factor here. Automobile firms that have been operating in Indonesia or planning to expand their market here feel that they will face stiff competition from the Timor car. The price of a Timor car could be much cheaper because its components will be exempt from tariff and excise taxes.

There is another factor besides competitiveness. Everywhere, Indonesia's national car policy has been subject to queries as to what extent it violates the free trade regulations provided for under the WTO, although In-

donesia is considered to be strongly committed to these principles.

No country has categorically accused Indonesia of violating the free trade principles under the WTO. They have just been talking about the Timor car — whether or not it is contradictory to trade regulations under the WTO. Every member country has to observe the same tariffs and tax procedures for imported and domestic products.

The time factor also plays a role in this. Actually, the Timor car program is no different from Malaysia's Proton Saga national car program. The Malaysian car industry, started 13 years ago, did not provoke any comment. Why is Indonesia's national car program being sharply criticized?

One reason, among others, is the timing factor. We issued the policy at a time when the world was renewing its goal to implement free trade and also when there was rising competition in the automotive industry. The competition is not only with outside producers, but with local producers, producers who received tax exemptions under the February package, and those on the waiting list.

Again, we should offer explanations to our trading partners. We know Japan is very protective of its car industry. It is inclined to resolve the issue quietly and individually instead of multilaterally.

Frankly, we are annoyed each time we are faced with this kind of pressure. We feel that industrialized countries tend to fight for their own advantage and adopt double standards. If the policy offers them an advantage, they adopt one interpretation. Otherwise, they use another interpretation.

In reality, the principles and rules of the game are not necessarily adhered to. There is always the loss and gain factor. Yet power remains the main factor in international economic relations.

In economic might, we are still not as strong as the United States, Japan, or Europe. This is a reality that we cannot reject. In other words, we must always take into consideration the loss and gain from each economic issue that arises. We can hold on to the objective of having a national car industry, but we must consider the losses and gains from the policy. Perhaps, this is where we will find a formula to implement the policy comprehensively and to our advantage.

It is also becoming clear that the diplomacy we need now and in the future will not be limited to politics. The role of economic diplomacy is becoming more important.

**Indonesia: President Opens Investment Summit,
Discusses Economy**

*BK1305111496 Jakarta Radio Republik Indonesia
Network in Indonesian 0700 GMT 13 May 96*

[FBIS Translated Text] The government is making continuous efforts to improve the investment climate to increase the flow of foreign investment into the country. In addition, the government is meeting with foreign investors more frequently to keep them informed of government policies adopted to provide facilities to investors.

Indonesia Summit '96, opened by President Suharto, is part of the government's effort to allow domestic and foreign investors to meet Indonesian economic decisionmakers. Here is a report by Hardiyanto:

[Begin recording] [Hardiyanto] Today, 600 top leaders of large domestic and foreign companies, including some from Europe, Australia, Japan, and the PRC, began business talks at the Indonesia Summit '96 forum in Jakarta. A number of economic affairs ministers from the sixth development cabinet and businessmen are scheduled to address the forum. Various development plans, particularly those related to communications and energy, will figure prominently in their speeches. The two-day meeting is designed to gain input and allow top foreign businessmen to obtain correct information on Indonesia's business climate. Indonesia Summit '96 is expected to serve as a vehicle to increase the flow of foreign investment into Indonesia.

Hartarto, coordinating minister for production and distribution and chairman of the organizing committee, disclosed the background of Indonesia Summit '96 at the opening of the meeting:

[Hartarto] Indonesia has entered its Second Long-Term Development Master Plan, which will end, God willing, in 2018. Indonesia will hopefully be able to undertake sustainable development and achieve an economic growth of 7 percent annually. Indonesia will face strategic changes in the near future, God willing. The ASEAN Free Trade Area will come into being in 2003, while the developed and developing members of APEC will open their markets by 2010 and 2020, respectively. Global trade is gradually being liberalized in the wake of the Uruguay Round of multilateral trade talks. Asia and Europe are cooperating in stabilizing trade and investment.

[Hardiyanto] Opening the meeting, President Suharto reiterated that the deregulation and debureaucratization drive would be further enhanced in the future because Indonesia wants to contribute to efforts to create a

free global economy capable of bringing prosperity to mankind:

[Suharto] Our development strategy is based on sound and dynamic national stability. The experience of other nations and our own experience gives us a clear lesson on the matter. Political and economic stability and the continuity of policies are important preconditions for the success of development. We have adhered to these principles for over 25 years. We have tangibly felt the fruits of the development strategy. In a rapidly changing world, we thank God for political stability and the integrity of the Indonesian nation.

[Hardiyanto] On this occasion, President Suharto disclosed what steps the government would take to spur Indonesia's economic growth:

[Suharto] What will our next step be? During the Second Long-Term Development Master Plan, we are determined to make our industries competitive and productive on the international scene. Supported by a strong agricultural sector, our industries are expected to become structurally stronger. Meanwhile, infrastructure and human resources will be rapidly developed to be able to respond to dynamic development. We have adopted a policy to enhance our economic synergy by [words indistinct] increasing the flow of investment to enable the economy to grow steadily and increase job opportunities.

[Hardiyanto] Two speakers just addressed Indonesia Summit '96. World Bank President James D. Wolfensohn delivered a speech on sustainable development amid global changes. Hartarto, coordinating minister for production and distribution, dealt with Indonesia's strategy in facing free trade and investment.

Dear listeners, after opening Indonesia Summit '96, President Suharto proceeded with his activities at his residence on Cendana Street in Jakarta. Here is a report by my colleague, Joko Saksono:

[Joko] President Suharto called for the continuation of the deregulation drive to increase Indonesia's exports and overcome fiscal and monetary problems. Saleh Afiff, coordinating minister for economics, finance, and development supervision, disclosed the head of state's request after meeting the president at his residence on Cendana Street about an hour ago. According to Coordinating Minister Saleh Afiff, Indonesia's present macroeconomic condition shows continuing overheating:

[Saleh] This is visible in the high current account deficit and our inability to keep inflation at about 5 percent as set under the Sixth Five-Year Development Plan. Let me explain the changes in current account deficit forecasts. The current account deficit reached \$3.5 billion during

FY 1994-95 and was earlier projected to increase to \$7.9 billion during FY 1995-96 and decrease to \$6.9 billion during FY 1996-97. Based on a new forecast, the current account deficit will jump to \$8.7 billion during FY 1996-97. I want to stress that the current account deficit, earlier projected to reach \$7.9 billion during FY 1995-96, was estimated at \$6.9 billion. We have now projected the current account deficit to reach \$8.7 billion, not \$6.9 billion, during FY 1996-97.

[Joko] Saleh Afiff also reported to the president on the planned meeting of the Consultative Group on Indonesia [CGI] in Paris in June. Replying to questions on the amount of CGI aid this year, Saleh Afiff predicted that the amount would not be lower than the previous year.

Accompanied by Mining and Energy Minister Ida Bagus Sujana, President Suharto also received the OPEC president and secretary general. [end recording]

Indonesia: Mediation Fails To Win Release of Irian Jaya Hostages

BR1305150396 Rotterdam ALGEMEEN DAGBLAD
in Dutch 13 May 96 p 3

[Unattributed report: "Red Cross Remains Available — Organization's Confidence in Papuans Must Return First"]

[FBIS Translated Text] The Hague — The Red Cross is prepared to resume the mediating role in the hostage question in Irian Jaya subject to very strict conditions.

According to D. de Wagenaar of the international aid organization, the OPM [Free Papua Movement] will first have to regain the full confidence of the Red Cross. De Wagenaar, who returned from Indonesia last week, said: "On 8 May the OPM unilaterally withdrew from the agreements made during the three-month mediation and did not release the hostages. For that reason we have suspended our mediation provisionally. The OPM will have to make it very clear that in the future it will keep to agreements."

De Wagenaar arrived at Schiphol airport with one of the mediators, J. De Graaf, who was clearly still affected. "It was a terrible blow. The farewell ceremony had lasted from 0900 to 1500. Group photos were taken and presents exchanged, because since the kidnapping started four months ago a bond has been formed between hostage takers and hostages. The Papuan people are very friendly and certainly not ill-natured."

When the helicopters appeared in the distance to fetch the people, rebel leader Kelly Kwalik, who is alone in speaking the language of his tribe, refused to sign a statement for the release of the hostages. "So when the moment had come, it did not happen," De Graaf said.

"That was very dramatic. Literally everything had been done to get the people free, including quiet diplomacy."

Among the 11 hostages are two Netherlanders, Mark van der Wal of the World Wildlife Fund and Martha Klein of UNICEF, who is seven months pregnant. The Red Cross mediation team continued to try to take Klein along, but the OPM leadership refused to release anyone at all.

The Indonesian Army still appears to have no intention of trying to bring an end to the kidnapping using force. Last weekend the Army announced it was looking for a new mediator now that the Red Cross is unwilling to mediate for the time being.

According to the Foreign Ministry in The Hague, the OPM leadership has suddenly made new political demands for the independence of Irian Jaya, which has been a province of Indonesia since the transfer by the Netherlands in 1962. Two months ago an OPM leader said that in September the UN General Assembly had to make a satisfactory statement on the right of the Papuans to self-determination before there could be talk of releasing the hostages.

De Graaf would not say anything about this. He has not spoken with the hostages again since the bad news. "But from a distance I could see that they were very emotional. And yes, so were we. We wept like children on the way back. A day later two colleagues went back in a final desperate attempt. 'Make a gesture, release someone to ensure that the thread can be picked up again,' it was said. But nothing was possible."

Red Cross has two people half an hour's flight away for emergency medical aid to the hostages.

Philippines

Philippines: Ramos Urges Greater Private Sector Involvement in APEC

BK1305031296 Manila BUSINESS WORLD
in English 13 May 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] President Ramos wants the private sector to become more involved in the Asia Pacific Economic Cooperation (APEC) process when the Philippines hosts the forum's ministerial and leaders meeting this November.

Mr. Ramos, who witnessed the signing of a memorandum of cooperation over the weekend in Malacanang for the staging of the first APEC Business Forum in Manila this November, said he intends to enhance APEC's relevance to the business sector to dispel the notion that the grouping is a mere talk shop.

"(This year) it is not only APEC that means business, the Philippines also means business," the chief executive said. At the same time, he wants the business community to recognize APEC's importance in the government's efforts of liberalizing its economy. The business forum will gather some 450 business executives from the APEC member-economies and their business advisory councils. The accord was signed between former Foreign Affairs secretary Roberto Romulo, chairman of the APEC Foundation, and Sonthi Limthongkin, chairman of the Bangkok-based Manager Media Group, which publishes Asia Times and Asia Inc.

The APEC Foundation is composed of business organizations like the Makati Business Club and is supported by the country's leading blue-chip firms such as the Philippine Long Distance Telephone Co., Ayala Corp. and San Miguel Corp. The Manager Media Group is committing \$1.5 million to coordinate the APEC Business Forum (ABF).

Philippines Official: No Formal Position on AFTA Opening

BK1305032796 Manila BUSINESS WORLD
in English 10 May 96

[Report by Ma. Clarissa S. Batino — received via Internet]

[FBIS Transcribed Text] The Department of Trade and Industry (DTI) yesterday clarified there is no formal position seeking to open up the ASEAN Free Trade Area (AFTA) by year 2000 to members of the Asia Pacific Economic Cooperation (APEC).

"This is not a Philippine position and neither do we intend it to be," stressed DTI Undersecretary Cesar Bautista referring to a claim made by APEC adviser Jesus Estanislao, a former finance secretary.

The idea to accelerate ASEAN's Common Effective Preferential Tariff (CEPT) even earlier to year 2000 and extending such privilege to other fora, particularly to the 18-member APEC was intimated by Mr. Estanislao to some members of the Cabinet including the president, said Mr. Bautista.

The CEPT is a scheme fulfilling AFTA which has a timetable which brings down tariff shields between zero to 5% by year 2003.

Mr. Bautista said this concept was "informally" sounded off to other members of the ASEAN "on the corridors and hallways" and not on formal meetings.

Mr. Estanislao was quoted by the ASIAN WALL STREET JOURNAL as saying that if ASEAN makes

the offer "it will be a challenge to the rest of the world" to follow.

"This is not even in the agenda of the ASEAN," the DTI official noted.

While it is true that ASEAN has been preoccupied with speeding up tariff phase down, this is for the benefit of its members such as Brunei, Malaysia, Indonesia, the Philippines, Singapore, Thailand and Vietnam.

During its recent meeting, the AFTA Council agreed to "phase in" the liberalization of sensitive agricultural products between 2000 to 2003.

Very sensitive ones such as rice products of the Philippines and Malaysia and rice and sugar of Indonesia will face liberalization only by 2010.

Based on the ASIAN WALL STREET JOURNAL article, Mr. Estanislao was urging ASEAN in initiating global trade liberalization by opening its market to APEC.

Malaysia also proposed earlier to accord the same ASEAN privileges to the World Trade Organization.

Mr. Estanislao said it was President Ramos who mentioned the idea to fellow ASEAN leaders in Bangkok in December.

Mr. Bautista said other ASEAN members "became nervous" about Mr. Estanislao's announcement. Foremost of those shaken off was Indonesia which has consistently been meticulous in liberalization measures.

The DTI official admitted though the government is planning to package the proposal in a "more attractive and acceptable" manner.

The APEC adviser said the concept could be formally announced in Subic this November during this year's APEC ministerial meeting which the country will host.

Philippines: Government, Communists Agree To Resume Peace Talks

BK1405065296 Manila MANILA BULLETIN
in English 14 May 96

[Report by Lulu R. Principe — received via Internet]

[FBIS Transcribed Text] The government and the communist National Democratic Front (NDF) have agreed to resume their peace negotiations, Howard Q. Dee, chairman of the government panel, said yesterday.

Dee confirmed reports that Europe-based leaders of the NDF have indicated their willingness to initiate moves to resume the talks, referring to a statement of Luis Jalandoni, chairman of the NDF panel, that preparations

should be undertaken to resume the negotiations in the second week of June.

Jalandoni also had proposed that the talks be held in the Netherlands, Dee said.

Dee said informal backroom talks have been held to revive the formal peace negotiations which bogged down in Brussels, Belgium, in June, 1995.

"A formal announcement," he said "will be made when both panels have finally decided on the dates and agenda of the talks."

Dee said that the issue on the release of communist field commander Sotero Llamas should not be made a precondition to the resumption of the peace talks.

"His (Llamas) release can only be effected by court processes," he said.

Llamas, a Bicol-based insurgent, was arrested during an encounter with government troops early last year.

His release was demanded by the NDF panel on the ground that he was one of its consultants, entitled to an agreed-upon immunity from arrest.

Dee said the Supreme Court has approved the request of the prosecution to transfer the hearing of Llamas' case to Metro Manila to facilitate the trial.

Thailand

Thailand: Europeans Threaten Retaliation Over Counterfeit Products

BK1305122596 Bangkok PRACHACHAT THURAKIT in Thai 13-15 May 96 pp 1, 4

[Unattributed report]

[FBIS Translated Text] According to a representative of European trademark holders, the Swiss watch industry federation held a meeting of its subcommittee recently in Geneva to discuss measures against Thailand, which it feels is not doing enough to suppress counterfeit products.

He said a group of European representatives visited Thailand in April. The purpose of the trip was to witness first-hand violations of products produced by federation members. The group saw that the open sale of counterfeit products was tolerated on a large scale.

The representatives also received information from sales agents in Thailand about collusion with the counterfeit rackets by Thai authorities, particularly policemen. Suppression of counterfeit products was minimal because sellers were given advance warning by the police.

The source said the federation decided on measures against Thailand. In June the federation will submit a

note to the prime minister, in his position as interior minister, to ask that the suppression authorities carry out their work earnestly. If the situation does not improve, the federation plans two measures. First, the federation will send notes to units in the EU countries dealing with investment promotion — such as investment promotion councils, commerce ministries, and boards of trade — asking them to suspend support for companies planning investment in Thailand. Second, the federation will send notes to companies operating production bases in Thailand asking them to relocate their bases to countries where wage levels are similar, such as Vietnam, Malaysia, or Singapore.

The source said: "It is a serious issue if the federation adopts those measures. Although it will be in the name of the federation of watch makers, the federation represents every EU country. The watch companies are connected with the manufacturers of other products such as clothes, leather products, wine and spirits, and perfume. There will be considerable repercussions for Thailand."

According to a source in the Intellectual Property Department, prosecutions for trademark violations dropped to 575 in 1995 from 631 in 1993 and 770 in 1994. The value of confiscated counterfeit products also declined sharply, indicating an acute decline in serious suppression efforts.

Thailand: Ministry To Propose Guarantees for Investments in Region

BK1305051296 Bangkok THE NATION in English 13 May 96 p A3

[Report by Kunlachada Chaiphipat]

[FBIS Transcribed Text] Chiang Rai — The Foreign Ministry will recommend that political risk guarantees be incorporated into all loans made by the Import and Export Bank for investment in neighboring countries, Deputy Foreign Minister Charat Phuachuai said yesterday.

This would strengthen Thai investment capabilities, he told a Bangkok seminar, "Chiang Rai Economy Year 2000", organized by THE NATION-KRUNGTHEP THURAKIT and the Chiang Rai Chamber of Commerce.

He said the ministry would recommend amending the law dealing with the Exim Bank, which currently extends loan guarantees only to Thai and foreign investors doing business in Indochina.

Extending the guarantee would help boost Thai investment in neighboring countries over the next five years.

Charai expressed confidence that the political systems of neighbouring states would remain stable over the next decade.

The World Bank is currently the sole international lending agency which provide political risk cover for foreign investors doing business in the developing countries of Asia.

The minister revealed the United Nations Development Programme had offered to help plan the setting up of a bank for the development of the Mekong subregion, a proposal put forward by Thailand. The bank would prepare a report by the end of July which would include a list of potential lenders.

Although the proposal was still in the embryonic stage, it had drawn the attention of some European countries, he said.

The bank would eased demands on the Asian Development Bank, which was by far the major financier of regional development projects.

The minister was addressing the seminar on the government's policies to boost Thailand's role in the economic development of the Mekong subregion and the economic quadrangle comprising Thailand, Laos, Burma and Yunnan province of southern China.

Deputy Prime Minister Annuai Wirawan emphasised the need for flexibility when dealing with neighboring countries, where the implementation of economic initiatives could be delayed by the unsettle political situation.

"We need to be flexible in dealing with these countries and we need to shape our strategies to suit their demands as well," Annuai said.

Neighboring countries' differing political systems and the condition of their economies should be taken into account.

He pointed to the long delay in the reconstruction of the Mae Sai-Kengtung-Kunming road.

Annuai said Burma was negotiating the conditions for the Bh300- million soft loan to be provided by the Thai government for the Burmese stretch of the route. The Burmese wanted their own subcontractors and suppliers to do the job, while Bangkok had proposed to Thai subcontractors.

Annuai stressed the government's leading role in doing business neighbouring states.

Deputy Commerce Minister Montri Danphaibun said that in the past government agencies had lacked a long-term strategy to deal with problems along the Thai-Burmese border, responding as they saw fit whenever difficulty arose.

The dispute which resulted in the closure of three Thai-Burmese border checkpoints last year was the case in point.

He expected the situation would improve following the recent signing of a border trade agreement with Burma, and the setting up of a government body chaired by Annuai to deal with trade and investment in neighbouring states.

In line with this, the commerce ministry would establish an inter-agencies subcommittee to study trade and investment opportunities.

An information centre dealing with border trade would also be set up in conjunction with the Foreign Ministry and the Department of Foreign Trade.

Montri said the subcommittee which he would chair would gather information and investigate problems relating to border trade and make recommendations to the main committee chaired by Annuai for a decision.

University Affairs Minister Bunchu Trithong outlined the government's policy to educate the workforce to ensure progress towards the goal of turning Thailand into the economic hub of this region.

He said projects include the setting up of Mae Fa Luang University in Chiang Rai and the upgrading of school curriculum in the northern region to suit the growing demands of employers.

The seminar was attended by more 400 delegates, many from Chiang Rai and other northern provinces.

Thailand: Official Sums Up 'Mood' of ASEAN Officials Meeting

*BK1405045696 Bangkok THE NATION in English
14 May 96 p A2*

[Unattributed report]

[FBIS Transcribed Text] Senior ASEAN officials share the view there should be a temporary freeze on membership to its current 19-member security grouping, the ASEAN Regional Forum (ARF), after the inclusion of Burma and India this year, a senior Thai official said yesterday.

Deputy Permanent Secretary of the Foreign Ministry Sarot Chawanawirat made his comments in summing up the mood of a meeting of senior officials of the Association of Southeast Asian Nations, held May 7 to 9, but noted this was not part of the recommendation which will be put forward to their foreign ministers when they meet in July.

Sarot, who headed the Thai delegation to the meeting, did not rule out the future inclusion of North Korea

in the forum given its geographic location and if involvement in the Korean peninsula conflict, which match criteria for ARF membership.

"If there is an agreement and the situation warrants the action, then new members could be admitted," said Sarot, adding there was a divergence of views about the inclusion of North Korea. Some held the view the situation in the Korean peninsula warranted its inclusion while others felt the conflicts would torpedo the steady and non-confrontational ARF process.

France, Britain, Pakistan and Mongolia are also seeking ARF membership.

Senior officials of ARF countries who met afterwards on May 10 and 11 were satisfied with the pace of the ARF's development, particularly in confidence-building measures. "No one bothers to talk about how fast the process should move anymore," said Sarot.

China and the Philippines will next year take over as co-hosts of the meeting of the Inter-Sessional Group (ISG) on Confidence Building Measures (CBM) from Japan, which has hosted two meetings.

In addition to two ISG meetings on peace-keeping, and search and rescue, ARF officials also agreed to hold another meeting on disaster relief, to be co-chaired by Thailand and New Zealand.

According to Sarot, the new working group will not only focus on cooperative relief measures in natural disasters but will also consider cooperation in the event of human-made disasters.

He said the parallel academic exercise, or Track Two ARF process, was well under way in defining CBM measures, including a code of conduct for countries in the region — based on the UN principles on peaceful coexistence, the ASEAN Treaty of Amity and Cooperation in Southeast Asia, and the Pacific Concord.

The ASEAN senior officials' meeting also agreed to accelerate the ratification by all seven ASEAN members of the Treaty of Southeast Asia Nuclear Weapons-free Zone that ASEAN leaders signed last December, as well as efforts to get nuclear powers to accede to a protocol attached to the treaty.

Thailand: Phalang Tham Unfazed by Threat of 'Ouster' From Government

BK1205105696 Bangkok THE SUNDAY POST in English 12 May 96 pp 1, 3

[Unattributed report]

[FBIS Transcribed Text] Phalang Tham is ready for any eventuality, even ouster from the Government, after

its refusal to support Deputy Interior Minister Suchat Tancharoen.

Phalang Tham MPs opted to abstain when the vote on Mr Suchat was called but they supported the other nine ministers on the censure list.

Deputy Prime Minister and Phalang Tham leader Thaksin Shinawatra said the abstention was in line with the voice of the majority.

"It depends on the Prime Minister to decide what to do with us," he said. "There won't be any problem with me whatever it is because Phalang Tham must act with responsibility."

Mr Thaksin denied the move was intended to secure its support base in Bangkok, saying Phalang Tham was always like this. Asked why Phalang Tham did not decide to leave the coalition now the people felt the Government lacked morality, Mr Thaksin said decisions must be taken step by step and his party had yet to ponder its withdrawal.

"But I believe there will be changes in the Government. You will have to ask for details from the Prime Minister," he said.

Phalang Tham Industry Minister Chaiwat Sinsuwong, who was on the censure list, said his party's decision to abstain was acknowledged by Prime Minister Banhan Sinlapa-acha before the vote.

He admitted feeling happy receiving support from other coalition MPs but he abstained on the Suchat vote.

"Whatever happens, we are ready to face it," said Mr Chaiwat, adding his party had been determined to work for the public interest.

Coalition chief whip Pongphon Adireksan said leaders of the coalition parties must discuss the events in Parliament yesterday. It was initially agreed that all 10 ministers get the same number of votes, he said.

Asked if Mr Suchat will be removed in the aftermath of the censure debate, Mr Pongphon said Chat Thai agreed yesterday to leave it to Mr Banhan to decide.

The leaders of other coalition parties are to decide what to do with Phalang Tham, which turned out to lack discipline, he said.

University Affairs Minister Bunchu Trithong, deputy leader of Chat Thai's Thoet Thai faction, said faction leader Narong Wongwan failed to convince Mr Thaksin to support Mr Suchat.

Despite this, members of the Thoet Thai faction voted for Mr Chaiwat, he said.

Thaoet Thai had agreed to leave it to Mr Thaksin to decide by himself whether to leave the coalition, Mr Bunchu said.

The faction had also agreed that Mr Suchat should take stock of himself.

PM's Office Minister Piyanat Watcharaphon thought it was quite normal for PDP (Phalang Tham Party) to abstain.

"Phalang Tham only acted to accommodate public sentiment in Bangkok where its main political base is. It's the normal thing to do.

"The Prime Minister should not try to expel the party from the coalition because he will not be able to explain it to the people," Mr Piyanat said.

Thailand: Article Examines Banhan's Call To End Censure Debate

BK1205113096 Bangkok THE SUNDAY POST
in English 12 May 96 pp 1, 3

(Report by Somchai Misen)

[FBIS Transcribed Text] The chaotic events which took place on Friday will be recorded in the history of the Thai Parliament after the Government used its majority support of 232 MPs to trample on democracy which had been revived only four years after the Black May events in 1992.

The seven coalition parties commanding a majority in Parliament — Chat Thai, New Aspiration, Phalang Tham, Social Action, Prachakon Thai and Muan Chon — forced an early end to the censure debate to help Prime Minister Banhan Sinlapa-acha escape being grilled.

Many wondered what made the Prime Minister so nervous that he resorted to exerting his power to call the no-confidence session off-blatant interference of the legislative body by the executive branch.

Most feared by Mr Banhan was believed to be the change of his father's nationality from Chinese to Thai. The Opposition was about to make it an issue for debate why the Interior Minister — who by law is duty-bound to oversee enforcement of the law on aliens and nationality — had violated the law himself.

Before the censure debate, the Opposition made the point known to the public that Mr Banhan's home registration paper in 1972 showed that his father Seng Kim held Chinese nationality. But in the 1979 domicile registration paper Mr Seng Kim's nationality turned out to be Thai.

The alteration of Mr Seng Kim's nationality was reportedly made on October 11, 1979, less than three months after Suphan Buri provincial authorities issued a paper to certify that Mr Banhan finished his Mathayom 6 education. The alteration was made out of fear that he might not meet all the qualifications required to run for election under the 1978 Constitution.

According to the 1978 Constitution, an election candidate whose father is an alien must at least complete secondary education. By that time it was still uncertain whether Mathayom 6 or Mathayom 8 was the last year of secondary education. Because of this, Mr Banhan reportedly prepared a way out by falsifying his father's nationality.

The Mathayom 6 education of Mr Banhan was another controversial point to be dug up by the Opposition. Opposition members did not believe Mr Banhan actually completed Mathayom 6. According to a ruling by the Constitution Tribunal on January 8, 1981 made at the request of Mr Banhan, the tribunal stated that: "The Constitution Tribunal believes Mr Banhan finished his secondary education without taking an equivalent exam."

But according to the Suphan Buri provincial authorities' paper certifying Mr Banhan's educational background, it was raised for observation that Mr Banhan was enrolled in Prathipwithayalai School but passed the Mathayom 6 examination at Kannasutsuksalai School in 1946. Moreover, Mr Seng Kim's last name which appeared in the paper was Sinlapa-acha not Sae Be, despite the fact that he died in 1954 without having his surname changed.

Another issue to be raised by the Opposition was Mr Banhan's thesis for his master degree from Ramkhamhaeng University on "subsidies for political parties." The content of Mr Banhan's thesis was said to be the same as that of research conducted by Phokhin Pholakun, then dean of Ramkhamhaeng Faculty of Law, which was submitted to the Damrongrachanuphap Institute of the Interior Ministry. Mr Phokhin's research was also on subsidies for political parties. It was alleged Mr Banhan's thesis was copied from that research. With collusion from thesis counsellors, Mr Banhan obtained his master degree. As a reward, he allegedly made Mr Phokhin minister attached to the Prime Minister's Office, lecturer Phonchai Sunthonphan Prime Minister's adviser and member of boards of directors of two state enterprises, lecturer Montri Rupsuwan his adviser and a state enterprise board member, and Wichai Wongchai his adviser.

The Opposition was also said to know that an administrative clerk of Parliament was hired to type the thesis for him.

The sale of a 100-rai plot of land in Nakhon Pathom's Nakhon Chaisi District by Mr Banhan's wife Khunying Chaemsai and daughter Kanchana to the Bank of Thailand was another point to be raised by the Opposition. It was said the land was overpriced, giving the sellers more than 200 million baht profit.

The other issue to be raised was the Public Works Department's spending of more than 20 million baht to build a road through one of Mr Banhan's close aides in Nakhon Nayok. The spending was allegedly made before a budget was sought for it.

These allegations could greatly jeopardise Mr Banhan's leadership if exposed to the public. He risked losing credibility and legitimacy to remain in office as prime minister.

The murder of Mass Communications Organisation of Thailand director Saengchai Sunthonwat and his alleged failure to guarantee the people's safety regarding life and property were also to be raised to attack the Prime Minister.

The abrupt end of the debate was inevitably seen as a trick to help Mr Banhan escape the grilling.

What happened could bring about a political crisis and the seven coalition parties must be held responsible.

Thailand: Further on Discord Within Coalition Following Censure Vote

BK13051005796 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 12 May 96

[FBIS Translated Text] Police Lieutenant Colonel Thaksin Chinnawat, deputy prime minister, has said in his capacity as leader of Phalang Tham Party that the reason his party abstained from voting in support of Deputy Interior Minister Suchat Tancharoen was to heed public opinion. Subsequently, whether or not the Phalang Tham Party continues in the coalition government depends on the prime minister's decision:

[Begin recording] [Unidentified correspondent] Your party's line is to adhere to the principle of political ethics. Do you think your party has come to the point where it must decide whether to withdraw from the coalition or wait until it is chased out?

[Thaksin] I will not use the words chased out because we have an agreement to work together. We will humbly ask the leaders of the other coalition parties if our stringent adherence to our policy causes them any uneasiness. If they feel uncomfortable with us around,

they can simply tell us and we will leave. They do not have to chase us out. If they think what we have been doing is useful, however, we will continue to work with them. We will not work against our principles. [end recording]

The leader of the Phalang Tham Party also quoted the prime minister as saying there will be a cabinet reshuffle after the deliberation of the draft budget bill for FY 1997. He noted that the government will not survive if it does not reshuffle the cabinet.

He denied the accusation made by Deputy Interior Minister Suchat Tancharoen that the Phalang Tham Party wanted to use the censure debate to support its Bangkok gubernatorial election campaign:

[Begin recording] [Unidentified correspondent] It has been said that by refusing to vote in favor of Deputy Interior Minister Suchat, the Phalang Tham Party wanted to create an image that is conducive to its Bangkok gubernatorial election campaign.

[Thaksin] That is untrue. You must ask the people if what we did in parliament was about creating an image or adhering to righteousness. We do not need to do that. Sometimes our determination to adhere to the correct line is misinterpreted. [end recording]

Major General Chamlong Simuang, former leader of the Phalang Tham Party, said if he wins the gubernatorial election he can do a good job as governor even if the Phalang Tham is not in the coalition government:

[Begin recording] [Chamlong] Our party has the potential to do its work whether or not it is in the government. It is better to be in the government, though.

[Unidentified correspondent] How can you have the potential if you are in opposition?

[Chamlong] Our party has the potential regardless of its position. As you have seen in the past, people always turn to see our party's reaction when something happens, despite the fact that there are more than 10 political parties. So how can you say our party does not have the potential? [end recording]

Meanwhile, Somsak Pritsanananthakun, spokesman for the Prime Minister's Office, reaffirmed that leading figures in the Chat Thai Party had not really attempted to drive the Phalang Tham out of the coalition government. Commenting on the Chat Thai secretary general's verbal outburst against the Phalang Tham, the spokesman said everybody has cooled down now. He said he understands the Phalang Tham Party's situation. Because the party's support base is in Bangkok, it must try to retain a good image. He said it would be too pessimistic

to assume that the current political situation might lead to a crisis like the May 1992 incident, adding that whoever wants to exploit the situation should think of the national interest.

Deputy Prime Minister Samak Suntharawat from the Prachakon Thai Party said the whole problem derives from the intention to project a good image and the failure to comply with the agreement reached before the censure debate. He denied the accusation that the government wanted to avoid the censure debate, saying the debate was extended from two to three days at the opposition's request. The opposition then came back to ask for one more day and the government did not agree. The government still maintains that its decision was correct:

[Begin Samak recording] We intended to give two days for the debate. They asked for three days and we agreed. We asked them to close the debate at 1400 on the third day, but no later than 2200 or 2400. They disagreed. This is not that bad. Attempts were made to imply that the government was about to collapse and demand its resignation. It was rather difficult to handle the situation. There was nothing much behind the scenes. The way the mass media presented the reports made the government look ugly and vicious. [end recording]

Samak disclosed that he and Pongphon Adireksan [chief coalition whip] will appear on the Trong Paden [Hit the Point] program on Channel 9 tomorrow night to present all the facts. Samak refused to comment on the Phalang Tham Party's refusal to vote in favor of Deputy Interior Minister Suchat Tancharoen and the call for the party to withdraw from the coalition. He said it was agreed among the coalition parties before the no-confidence debate to vote for the targeted ministers. The government will reshuffle the cabinet after the house deliberation of the budget bill:

[Begin Samak recording] The mass media do not seem to listen to reason. They have painted an ugly picture of the government. We cannot do anything if that is what they want to do. Nobody seems to want to know the reasons for what happened in the house. They could not have all the time they asked for. What would happen if each person took the whole day and there were 10 of them? It is common practice to let targeted ministers win the debate and have the charges against them investigated later. They will also have the chance to defend themselves. There are two or three steps involved. It was agreed during a meeting that there would be a cabinet reshuffle after the deliberation of the budget bill and the draft bill on amending the constitutional articles. [end recording]

Thailand: Censure Failure Blamed on Opposition's Poor Planning

*BK1305033096 Bangkok BUSINESS DAY in English
13 May 96 p 4*

[Editorial: "Opposition the Big Loser in Censure Debate Debacle"]

[FBIS Transcribed Text] Those who have criticized the Prime Minister for his abrupt interruption of the censure debate on Friday evening seem to fall, but not neatly, into two camps. Those who see it as simply an opportunistic move to save himself the kind of tongue-lashing that the opposition handed out to those of his ministers unlucky enough to have been earlier in the stocks may have a hint of truth on their side. Those who consider Mr Banhan's move as a sign of rank stupidity that might have led to the coalition losing the support of the powerful Phalang Tham Party [PDP] are foolish. Both lots are probably way off the mark.

There may be a few things for which the prime minister deserves to be censured and criticized but stupidity is not one of them. His political acumen is a great deal more developed than is generally appreciated and certainly more so than that of those members of parliament confidently predicting the end of the coalition. Banhan clearly knew that with or without the PDP behind him he could close the debate and that the subsequent no-confidence vote would go his way. The voting on Saturday showed his calculation of the odds was as precise as that of a bookmaker. Mr Banhan will be chuckling at the ease with which he again outwitted his apparently disorganized political foes.

The PDP leader, Thaksin Chinnawat, is equally as endowed with political nous and despite the ravings of some of the more hotheaded members of his party the suspicion is strong that he and Banhan knew exactly what the other was going to do. They may have talked about only infrastructure on Saturday after the government victory, but rest assured there will have been more than a few earlier occasions when they talked parliamentary tactics.

Perhaps there could have been a different outcome if the opposition had got its act together and concentrated more on planning than it did on serving up hors d'oeuvres to certain sectors of the local press. Of course, it is plain from the well-rehearsed speeches and the welter of physical "evidence" shown over the two days that a great deal of time was spent on planning by the opposition parties.

However, its political planning was so disastrous that one hesitates to think of the mess that would result if it were ever called upon to form a government. It was

a political mistake of gargantuan proportions to allow opposition members so much time to ramble on, no matter how amusingly. Repetition does not win political bouts. Good time management frequently does.

And to borrow a bon mot from one of the opposition's leading lights there was a mistake within a mistake. Having failed to ensure that they could bring down fire on all ten ministers they had in their sights, they made things worse by failing to get off a real fusillade against at least two of their prime targets. The net result is that though the coalition may not be any stronger the opposition itself may well have been weakened.

Thailand: Columnist Blames All Sides for Censure Debate 'Ugliness'

*BK1305102196 Bangkok THAI RAT in Thai
13 May 96 p 5*

["Changing Winds" column: "Do Not Play When the Country is at Stake"]

[FBIS Translated Text] The damage done to the democratic system in parliament on the night of 10 May was seen by television viewers. It was the darkest spot ever painted on the Thai democratic system by elected politicians, who used the cloak of democracy to usurp power in the cabinet and parliament. The damage was jointly caused by all 391 MP's. They must be held responsible for the ugliness that tarnished the democracy we attained by sacrificing our blood and lives. In particular, Parliament President Bun-ua Prasertsuan, Prime Minister Banhan Sinlapa-acha, and opposition leader Chuan Likphai cannot evade blame. These three know best what happened because they controlled the censure debate.

It is fortunate that soldiers have come to understand democratic principles better through the development of democracy in the past few years. If this was not the case, we would have woken up on 11 May to see the parliament building taken over by tanks instead of seeing a vote on the censure debate.

Bun-ua should resign as parliament president. He is categorically unfit for the post. Although he is senior in age, his ineptness has gravely tarnished the democratic system. If he had been decisive on the third day of the debate in telling opposition MP's that they should allocate debate time among themselves to meet the previously agreed timeframe, everything would have worked out fine. The opposition MP's realized that the parliament president was not able to control the debate and exploited the situation by spending excessive time in debate. Opposition leader Chuan should remember that when his party was the core of the previous government each opposition MP was allowed only 15

minutes to debate; only opposition party leaders were allowed unlimited debate time. All of this is testament to the inefficiency of the parliament president and to his exploitation by opposition MP's.

As for Prime Minister Banhan, he should have stood up to remind the parliament president and the opposition leader about the time factor. He also could have kindly given another two or three hours for the opposition to complete their debate. If this had happened the censure debate would have concluded without any problem.

Regrettably, each side was intent on resorting to political tricks to beat the other, thus tarnishing the democratic system. Every side must be blamed for this historic tarnished image. I wonder if there is any credibility left in Thai politics?

I suggest that Prime Minister Banhan quickly reshuffle the cabinet, particularly certain members of the "Group of 16" who have tarnished the country. He should disregard the number of votes they received, because it is common knowledge that these votes do not reflect the voters' true feelings.

The government economic team has damaged the national financial and economic systems and should be removed. Mr. Prime Minister, the country has no more time for you to rethink their merits.

At times it is acceptable to claim majority support to justify an action, but not all the time. Thailand does not belong to the 391 people in parliament, it belongs to all 60 million of us.

Thailand: Daily: Premature Closure of Censure Debate 'Disgrace'

*BK1305030996 Bangkok BANGKOK POST
in English 13 May 96 p 4*

[Editorial: "Day of Shame for Government and Democracy"]

[FBIS Transcribed Text] It was a day of shame and disgrace in the history of Thai parliamentary democracy. Under the glare of live telecast watched by millions of Thai viewers, government MPs forced the premature closure of the Parliament Friday night by taking unfair advantage of their sheer number, thus enabling Prime Minister Banhan Sinlapa-acha and two ministers, Commerce Minister Chuchip Hansawat and Deputy Finance Minister Newin Chidchop, to escape the Opposition's censure onslaught. Their unbelievable conduct, tantamount to an act of parliamentary dictatorship, not only made a mockery of the democratic institution but also insulted the Thai people.

The people who were watching the parliamentary proceedings were in no doubt that the Opposition had done their homework remarkably well. The evidence they presented against the alleged gross misdeeds by the so-called Group 16, particularly Deputy Interior Minister Suchat Tancharoen, and alleged incompetency by Finance Minister Surakiat Sathianthai was convincing enough and cannot be dismissed outright as mere rhetorics or allegations. On the contrary, the defence put up especially by Mr Suchat made him look like a child who was caught stealing but kept denying he committed the offence.

Tainted and bruised all over, the deputy interior minister might feel relieved that he had survived the censure with the votes he received from his fellow MPs minus those of the Phalang Tham Party (PDP). He might even have entertained the misguided idea that he had the legitimacy to stay on. The Prime Minister, too, might also indulge in self-deception that, with the 230 confidence votes showered in his favour, he still has the confidence of the people and the mandate to rule without any changes to his tainted Cabinet.

Constitutionally, Mr Suchat could claim legitimacy to continue to cling to his ministerial seat, and the Prime Minister to maintain the present make-up of the Cabinet and to oust the PDP from the coalition.

But the Thai people are not naive enough to forget about the day of shame. Angry phone calls and faxes which swept several newspaper offices clearly reflected the public's anger at the undemocratic way the Government undertook to cut short the censure debate. And the favourable votes which saved the skin of the censured ministers, especially Suchat, only served to add insult to injury against the Thai people.

The Government of Prime Minister Banhan is not only suffering from a crisis of confidence, the integrity of the Parliament is also in question. It is doubtful that this Parliament can now claim to represent the people and respond to their aspirations.

Whatever the real motives, the Phalang Tham Party has done the right thing by abstaining from voting for Mr Suchat, although quite a few might have expected the party to do more. One might say that the PDP action shows that there are those among the largely hopeless government MPs who still retain some sense of decency and conscience.

Rather than picking on the PDP for breaking ranks, the Prime Minister should concentrate on making amends by cleansing his Cabinet of the "bad apples" who have brought shame and disgrace upon his administration and

this country. Falling short of this, he can no longer claim any moral legitimacy to stay on in office.

Thailand: Paper Views Threat Posed by 'Political Instability'

BK1405092796 Bangkok PRACHACHAT THURAKIT in Thai 13-15 May 96 p 14

[Editorial: "Political Stability — A Charge That Could Blow Up the Economy"]

[FBIS Translated Text] The issue that worries economists and money managers about the Thai economy is the large inflow of short-term foreign capital because its fluid nature could cause havoc to the economic system at any time. Although Thailand has enjoyed high economic growth and a budget surplus for several consecutive years, domestic savings have not kept pace with demands for investment, which has led to large borrowing from abroad. External borrowing is estimated to total some \$60 billion, most of it short-term capital.

Thailand's foreign exchange reserves are currently quite high — about \$36 billion, which is good enough to pay for imports for seven months. But this amount is still lower than all the short-term debts in the entire system. The relatively high short-term debts are not an immediate problem facing the economy, however, because if the economic trend is good and investors remain confident, the inflow of capital will be greater than the outflow and thus the economic system will encounter no problem. But once the investors lose their confidence, the national economy will be in grave danger. This is because investors and foreign currency traders will transfer their money out of the country, which can be easily and quickly done in the current on-line system. Chaos would follow immediately if this happened.

Although the current account deficit and inflation are major problems, most people are confident that they will be effectively solved. The government's recent financial and fiscal measures have slowed down the growth of those problems. But the short-term capital issue still poses dangers for the country. Political instability and discord have negative psychological effects on investors and currency traders. The government and politicians must be aware of this problem. Politicians are supposed to administer the country and the economy to promote prosperity, but now they have become the main factor that could threaten the economy.

Thailand: Pressure Increases on Banhan for May Reshuffle

BK1405035796 Bangkok THE NATION in English
14 May 96 pp A1,A3

["Political Desk" report]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha moved yesterday to shield the Phalang Tham Party (PTP) from the lingering wrath of its coalition partners and asked the PTP to remain with his government.

Banhan's lobbying curtailed criticism against the PTP, which refused to vote for Deputy Interior Minister Suchat Tancharoen at the end of the censure debate. However, the prime minister came under pressure yesterday to carry out a Cabinet reshuffle immediately after May 24, not next month as he had planned. PTP leaders were absent from a high-level coalition meeting chaired by Banhan at Government House in the morning. During the meeting, the prime minister sought and won his allies' approval for his intention to make a final decision on the PTP, informed sources said.

Later he met PTP secretary-general Sudarat Keyuraphan at the Interior Ministry. Emerging from the 15-minute meeting, Deputy Interior Minister Sudarat said Banhan told her he wanted the PTP to stay on.

"He doesn't want us to make a rash decision. He said he has worked with us on many things and there are many more things he wants to do with us," she said. Sudarat declined to discuss her party's stand on the issue, but the PTP will hold a crucial meeting today, probably to decide its future.

Apparently stuck in a dilemma, the PTP has sent out mixed signals regarding its future. Remaining with the Banhan coalition will increase the risks of the party losing out in the June 2 Bangkok gubernatorial poll, while pulling out could threaten its other political interests and might expose the enormous business interests of PTP leader Thaksin Chinnawat to political vengeance. Banhan, meanwhile, needs the PTP's support, though temporarily, because three crucial bills are pending in Parliament. A PTP withdrawal would also fuel his administration's image crisis.

After the coalition meeting at Government House, PTP's estranged allies kept their mouths shut. "Ask the prime minister," seemed to be their concerted response when asked to comment on the PTP.

The prime minister has been tense since his government forced a premature end to the censure debate. Public and media backlash has been so great that the opposition

parties, which had decried the government's action, are now hailing their luck.

"Nine months of hard work came to a crashing end in just one day," an aide to Banhan quoted him as saying upon realising the magnitude of negative public reaction.

While Banhan can hope the public wrath might soon die down, he is being besieged by another major problem which may not go away easily. The censure fallout has rekindled a power-play in his faction-ridden Chat Thai Party, creating a very delicate situation that challenges his famous survival skills.

The Thoet Thai faction, to which Suchat belongs, is not happy with the continued presence of the PTP and will surely flex its muscle to ensure the group remains influential no matter what happens to Suchat. Chat Thai secretary-general Sano Thianthong, who controls another faction, has capitalised on the Thoet Thai setback by re-asserting his claim to the Interior portfolio, now held by Banhan.

A high-level Chat Thai source said yesterday that Sano's group had lobbied other factions and won much support for his plan to take over the Interior post from Banhan. His faction members also plan to gather this evening at his residence in a show of force, according to the source.

Thoet Thai has also laid claim to the Interior portfolio, but its position has apparently weakened after the no-confidence debate. Faction leader Narong Wongwan visited Banhan at the latter's residence yesterday afternoon and there were reports they had also met earlier in the day.

Sano was the only senior coalition politician to come out yesterday in support of Banhan's intention to carry out a Cabinet reshuffle after the Golden Jubilee celebrations of His Majesty the King's accession to the throne on June 9. Other key government leaders made a concerted call for a reshuffle to take place after the parliamentary debate on the budget bill on May 24.

"I believe the Cabinet change must take place after May 24," said Deputy Prime Minister Chawalit Yongchaiyut, the New Aspiration Party leader. He was backed by Deputy Prime Minister Amnuai Wirawan, leader of the Nam Thai Party, who said the government was suffering from a serious crisis of faith.

"The economy will be badly affected if we don't move fast enough to correct things," Amnuai said.

Signs are becoming stronger that Suchat is being isolated, and he will most likely be dropped completely

in the Cabinet reshuffle. Even Thoe Thai members, who had threatened revolt if Suchat is not transferred to another major post, were much less vocal yesterday in supporting him.

Security was increased at the prime minister's residence yesterday due to concern for his safety in the wake of the censure controversy, police said.

Thailand: Party Threatens Pullout if No Reshuffle by End May

BK1405053196 Bangkok THAILAND TIMES
in English 14 May 96 p A1

[Unattributed report]

[FBIS Transcribed Text] Bangkok — The Nam Thai Party [NTP] has threatened to withdraw from the coalition if the government fails to hold a Cabinet reshuffle by the end of the month, according to a party committee executive.

"If there's no cabinet reshuffle, the NTP will withdraw from the coalition 100 percent," said Somchai Phetpra-soet.

However, Somchai said Prime Minister Banhan Sinlapa-acha has promised a reshuffle at the end of the month, as demanded by NTP leader Amnuai Wirawan.

Nam Thai, along with Phalang Tham and New Aspiration, has pressured the prime minister for the reshuffle following last week's censure debate. Deputy Interior Minister Suchat Tancharoen, who apparently could not adequately defend himself in the no-confidence debate, is expected to be shuffled.

"I think Suchat knows that he's not acceptable, and he may consider resigning. He will probably improve his image if he resigns," said Somchai.

Somchai also criticized House Speaker Bun-eua Prasetsuwan for not compromising on the last day of the debate, which resulted in chaos in the Parliament.

"He should consider resigning himself as well," said the executive, adding that the House speaker allowed only two parties, the CTP [Chat Thai Party] and the Democrat Party, to debate, causing other parties to feel alienated.

CTP secretary-general Sano Thianthong said the coalition meeting yesterday resolved to let each coalition party decide independently what Cabinet ministers should be reshuffled.

He said each coalition party will individually consider opposition allegations against the 10 targeted ministers.

Phalang Tham Party [PTP] leader Thaksin Chinnawat and party secretary-general Sudarat Keyuraphan did not attend the coalition leader's meeting yesterday,

claiming they had a scheduling conflict with the Office of the Commission for the Management of Road Traffic meeting.

NTP whip Adison Phiangket was also absent from the meeting.

Sano, who is also the public health minister, added that the meeting did not focus on the PTP's abstention from the no-confidence vote for grilled Deputy Interior Minister Suchat Tancharoen, who is in Australia at the moment.

Concerning the rumor that the PTP's abstention was intended to score political points in the upcoming gubernatorial election, Sano said "If the PTP really intended to do that, why are they staying in the coalition if they do not want to help the government."

"People aren't as stupid as the PTP thought. The PTP's actions might have an adverse effect on their image," he said.

Suchat, who controls the Land Department, was accused of abusing their authority to acquire illegal land documents in Nong Khai province. He used the documents to obtain a 40 million baht loan from the Bangkok Bank of Commerce, causing the institution's destabilization.

Sano said Suchat was not found guilty, but was simply accused of wrongdoing in the matter. The CTP will set up a committee to look into the scandal.

"I won't tolerate wrongful actions, but I won't say whether Suchat is good or bad. He insists he didn't do what he was accused of," said the secretary-general.

Sudarat said yesterday after the Interior Ministry meeting that the party is upset about the matter and is ready to withdraw from the coalition, but the prime minister insisted that the PTP must stay in the ranks.

However, the PTP says it is a tough call.

"We lose both ways. If we withdraw, we'll be perceived as being unable to work with others. But if we do nothing, we still look bad," said the PDP secretary-general.

Sano said the abrupt closure of the censure debate was not the government's fault but that of both sides.

He said the government and the opposition agreed to have a three-day debate, but the opposition could not complete its questioning in the time allotted.

"The call for the resignation of the government is the wish of the opposition and certain members of the press who want to see the government collapse," said Sano.

The government was severely blasted by the opposition, the public, and the media when they abruptly closed the no-confidence debate on Friday night, despite the fact that three targeted ministers—Interior Minister Banhan Silpa-archa, Deputy Finance Minister Newin Chitchong, and Commerce Minister Chuchip Hansawat had not yet been grilled.

Vietnam

SRV: Singapore Prime Minister Arrives on Working Visit 13 May

BK1405004696 Hanoi VNA in English
1531 GMT 13 May 96

[FBIS Transcribed Text] Hanoi VNA May 13 — Singapore's Prime Minister [P.M.] Goh Chok Tong arrived in Ho Chi Minh City this morning for a two-day working visit to Ho Chi Minh City and the southern province of Song Be.

P.M. Goh Chok Tong was welcomed at the airport by Mayor of Ho Chi Minh City Truong Tan Sang, Chairman of the People's Committee of Song Be Province Nguyen Minh Duc, Deputy Foreign Minister Nguyen Dinh Bin, Vietnamese Ambassador to Singapore Nguyen Duc Hung, and other Vietnamese officials.

Talks were held in the city this afternoon between Prime Minister Vo Van Kiet and his Singaporean counterpart, Goh Chok Tong. The two leaders compared notes in an open-hearted and frank atmosphere, focussing on measures to further promote ties between the two countries as well as regional and international issues of common concern.

P.M. Kiet welcomed the visit as contributing to the enhancement of mutual trust and the further promotion of friendship and cooperation between Vietnam and Singapore.

Singaporean P.M. Goh Chok Tong expressed his pleasure at visiting Vietnam again, hailing the important achievements recorded by the Vietnamese people in the recent renovation process, economic development and open-door foreign policy of diversification and multi-lateralisation. He affirmed Singapore's policy to attach importance to developing its cooperation with Vietnam, particularly in economy, trade, and investment as Vietnam has become an ASEAN member. He also renewed his country's continued share of experience with Vietnam in the fields Singapore has strength.

The two prime ministers were satisfied at the two countries' fine and fruitful development of cooperative ties in recent years, especially in investment, trade, industrial construction, air service, tourism, and training. They also expressed their wish to expand cooperation

to the fields of culture, science and technology, sports and youth work.

They agreed to continue creating favourable conditions for relevant ministries, branches, and businesses to increase investment and trading and implement co-operation projects. They wished for early building of the Vietnam-Singapore Industrial Zone in Song Be Province, making it a sample for cooperation between the two countries.

Regarding regional issues, the two leaders expressed their pleasure at positive development in recent years, particularly the fine results of the first Asia-Europe Summit (ASEM) initiated by Singapore, thus ushering into a new era of cooperation between the two continents. They agreed to continue cooperating in making preparations for the second ASEM to be held in London in 1998 and to promote cooperation within ASEAN to prepare for the 6th ASEAN Summit scheduled to be organised in Vietnam in 1998.

The two prime ministers expressed their hope the visit would promote friendship and comprehensive cooperation between the two countries for the interest of the two peoples and for peace, stability, cooperation, and prosperity in Southeast Asia.

In the evening, Prime Minister Kiet gave a banquet in honour of P.M. Goh Chok Tong and his entourage.

SRV: Singapore's Goh, Vo Van Kiet Discuss Regional Issues

BK1405062196 Singapore THE STRAITS TIMES
in English 14 May 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Regional issues were discussed when Prime Minister Goh Chok Tong met Vietnamese Prime Minister Vo Van Kiet yesterday.

The two-hour meeting took place soon after Mr. Goh arrived in this busy southern city for the groundbreaking ceremony of the Vietnam-Singapore Industrial Park (VSIP), which will be held this morning.

Briefing reporters on the meeting, Mr. Chan Heng Wing, the press secretary to Mr. Goh, said the leaders talked about the outcomes of the recent ASEAN and Asia-Europe meetings, as well as Vietnam's interest in joining the Asia-Pacific Economic Cooperation forum (APEC).

They had extensive discussions over the Mekong Basin development project and the Pan-Asian railway project, which were both mooted during last December's ASEAN Summit in Bangkok.

Under the Mekong project, ASEAN countries will cooperate to develop the resource-rich region encompassing countries like Vietnam, Laos, Cambodia, and Myanmar [Burma].

The rail project envisages a network from Singapore to Kuala Lumpur and stretching to Kunming in China and in future even Europe.

Mr. Kiet said Vietnam supported the Mekong project strongly, and Mr. Goh expressed similar sentiments, noting that Singapore was a firm believer in regional cooperation.

Mr. Kiet said that Vietnam was interested in the Pan-Asian railway and noted that there was already a link between Ho Chi Minh City and Hanoi, and that this was connected to China.

He pointed out that the Thai, Malaysian, and Vietnamese railway gauges, or the width of the railway tracks, were the same, and Vietnam saw the rail network as enhancing the cooperation of the Mekong Basin project.

Mr. Goh also took the opportunity to brief his counterpart on the fast rail project that was being discussed between Singapore and Malaysia, linking the former with Kuala Lumpur.

He explained how he saw the Pan-Asian railway as being directly beneficial to many Asian countries.

On APEC, Vietnam expressed interest in being a member. There is currently a moratorium on membership to the grouping.

Mr. Goh said that one way for Vietnam to strengthen its claim for membership was to show that its economy was moving towards free trade and to also increase its trade with other APEC countries.

At the meeting, which was held at the Reunification Palace, both leaders also explored the prospects of developing the central highland area of Dalat into a major tourist resort.

On bilateral cooperation, they instructed their foreign ministries to study the areas that Vietnam was interested in to share in Singapore's development experience.

SRV: Singapore's Goh Says Industrial Park Symbolizes Ties

*BK1405065096 Singapore THE STRAITS TIMES
in English 14 May 96*

[Report by Sumiko Tan — received via Internet]

[FBIS Transcribed Text] The Vietnam-Singapore Industrial Park (VSIP) is a symbol of relations between the two countries, and its first few years must be managed

carefully to ensure its success, said Mr. Goh Chok Tong last night.

Speaking at a dinner hosted by Vietnamese Prime Minister Vo Van Kiet, he noted that the suggestion to have a joint park was mooted two years ago when he paid his first visit to Vietnam and met its leaders.

"You can say the idea of the industrial park was conceived two years ago and that the baby will be born tomorrow," said the prime minister, who will be attending the VSIP's ground-breaking ceremony this morning.

"But this is only the start of a long series of steps required to bring up the baby into healthy adulthood. Like all babies, the first few months and years of care are very important.

"If you don't pay special attention to the baby in the first few months, the baby may not even survive. And even if the baby survives, if he is not given good food and proper care, he will not grow up to be a strong baby."

He said he was very pleased that both sides have "vowed to make the baby grow into a strong boy."

Mr. Goh, who arrived yesterday morning and had a two-hour meeting with Mr. Kiet in the afternoon, said this was very comforting to the investors in the park.

Speaking at the Reunification Palace, he said this project was not like other commercial projects as it had the backing of the two prime ministers.

"We are, in that sense, staking our reputations on the success of the project. We therefore have to make sure that it will succeed."

He said that from what he had heard, the VSIP was off to a good start with several companies indicating interest in investing in it. He was confident that many more would come on board.

He said that following talks with Mr. Kiet earlier, he had no doubts that the project would take off. He added that Singapore investors who had problems would be able to raise them with Mr. Kiet through him.

Similarly, the Vietnamese side could raise problems with him through their prime minister. He said that beyond the industrial park, both sides should look at other areas of cooperation.

He added that he and Mr. Kiet would be meeting quite regularly as Vietnam was now a member of ASEAN and the Asia-Europe summit. As the VSIP was "a symbol of our bilateral relations," he expected them to review its progress at these meetings.

He also recounted how, on his visit to Vietnam in 1994, the leaders were not only warm, but very persuasive. They knew Singapore was building an industrial park in Suzhou in China and were keen on a similar one in Vietnam.

He replied then that while Singapore would like to help, it could not, given its limited resources, handle two projects.

"The Vietnamese leaders argued that China is a big country, you have a big industrial park in China, Vietnam is a small country, just do a small one for us," he said.

"I then argued that the land price must be competitive to attract the Singapore investors. General Secretary Du Muoi was very quick. He replied that so long as the land price is higher than the yield of rice per acre, he would be satisfied...I could not say no, so I said I would go back, look into the proposal and see how we can help Vietnam with the industrial park."

In a speech earlier, Mr. Kiet spoke about the cordial ties between the two countries and their commitment to making the park work.

The VSIP was also discussed when both leaders met in the afternoon.

Mr. Kiet said that the VSIP could build its own power station to ensure uninterrupted supply of power. A management board would also be set to act as a one-stop agency for investors.

Both leaders also pledged to give their personal attention to the project.

SRV: Indian Naval Chief Arrives, Meets With Defense Minister

*BK1405004796 Hanoi VNA in English
1518 GMT 13 May 96*

[FBIS Transcribed Text] Hanoi VNA May 13 — Chairman of the Chief of Staff Committee and Naval Chief of Staff V.S. Shekhawat, and his wife arrived in Hanoi yesterday, beginning their friendship visit to Vietnam.

The visit is made at the invitation of the chief of General Staff, Lieutenant General Pham Van Tra.

After the welcome ceremony held here this morning in the presence of many senior officers of the Vietnam People's Army and Indian Ambassador to Vietnam Surinder Lai Malik, Lt. Gen. Pham Van Tra held talks with Commander-in-Chief Shekhawat, comparing notes on issues of common concern.

This afternoon, Mr. Shekhawat paid a courtesy visit to Defence Minister General Doan Khue, who welcomed the visit by the Indian commander-in-chief and his entourage as a contribution to strengthening of the traditional friendship between the people and armies of Vietnam and India.

Mr. Shekhawat said he hoped the Vietnamese people and Army to gain even greater achievements in national construction and defence and expressed his wish for the further development of bilateral cooperation between the two sides.

The reception was conducted in an atmosphere of sincerity and mutual understanding.

SRV: Foreign Ministry Spokesman Addresses Whitehead Camp Issue

*BK1305115396 Hong Kong AFP in English
1057 GMT 13 May 96*

[FBIS Transcribed Excerpt] HANOI, May 13 (AFP) — Vietnam appealed Monday for boat people in Hong Kong to be treated in a humanitarian way after violent clashes and a mass break out from a camp for boat people there.

The foreign ministry issued a routine reply to questions on violence that has struck camps across the region.

"While waiting for repatriation, Vietnamese should be treated in a humanitarian manner and their dignity should be respected," a spokesman said.

Scores of people were injured and buildings set alight when more than 100 inmates of the Whitehead camp in Hong Kong escaped Saturday. Two days of violent protests against forced repatriation left considerable damage. [passage omitted]

The Hong Kong government has said it will speed up the repatriation of the 18,000 Vietnamese in camps. The majority have been refused refugee status.

The Vietnamese Foreign Ministry spokesman said Hanoi would cooperate with the United Nations and governments around the region to resolve the boat people problem.

SRV: Deputy Minister Interviewed on Foreign Investment

BK0905120396 Hanoi VIETNAM ECONOMIC TIMES in English Apr 96 pp 14-15

[Interview with Nguyen Nhac, Vietnamese deputy minister of planning and investment, by an unidentified correspondent; place, date not given]

[FBIS Transcribed Text] [VIETNAM ECONOMIC TIMES] Vietnam is set to enter the last five-year plan of the century. Will there be any changes in the policy which calls for foreign investment compared with that of the last five-year plan?

[Nhac] In the coming five years, the government of Vietnam will concentrate on the implementation of foreign investment and the mobilisation of both domestic and foreign capital which can serve the industrialization and modernisation process. This is in order to reach annual average growth rates of 9% to 10% per year. We will pay attention to projects of high quality and socio-economic efficiency, and encourage more investment in centralized industrial parks. The government will also issue suitable policies to encourage investment in raw material production, agriculture and food processing, and forestry projects in the highlands, mountainous regions and central coastal areas.

[VIETNAM ECONOMIC TIMES] What measures will the MPI [Ministry of Planning and Investment] take to focus foreign investment in the areas of particular concern to the state?

[Nhac] In order to direct foreign investment to these sectors and areas that we are interested in, we will soon complete and issue the master plan for industries and areas. First of all, we should have a plan for industrial parks and important products so that foreign investors will have a clear road to pursue the projects in which they are interested. This will help them save money searching for investment opportunities. At the same time, we will announce incentives such as low taxes and low land rents for investors in the agriculture and forestry sector. We understand that investors in these fields have low profit rates but high risks. We are very concerned with how to build up a longstanding and bilateral relationship between investors and farmers.

[VIETNAM ECONOMIC TIMES] Domestic investors have offered many recommendations to review policies in order to further promote domestic investment. Will foreign investment be affected if favourable conditions are created for domestic investment?

[Nhac] Promotion of domestic investment and attracting more foreign investment is aimed to boost resources for growth. And they should be co-operated in a master

plan. However, even if domestic investment is being promoted, in some current sectors foreign investors have advantages that domestic investors still lack, such as technical know-how, and the abilities to raise huge funds and market. We can employ a number of investment policy incentives that are currently used by other countries in the region to draw investors and direct their investment in sectors we wish.

[VIETNAM ECONOMIC TIMES] In your view, which course will foreign direct investment follow in 1996? And will it be higher than in 1995?

[Nhac] In each of the past five years, foreign direct investment (FDI) has increased over the previous year. In 1990, while preparing plans for 1990 to 2000, we estimated an FDI need of roughly \$10 to \$12 billion. However, in 1993 the plan for FDI was readjusted to mobilise \$18-\$20 billion for this 10-year period.

Nevertheless, this level of investment still remains far behind the needs for development, and we have projected to raise as much as \$20 billion for this plan. To implement this, the MPI intends to draw investment to a number of major heavy industry areas such as oil & gas and cement plants.

[VIETNAM ECONOMIC TIMES] Policies are usually reflected through a series of legal regulations. This becomes a process of amending existing laws to fit demand. Which legal documents that affect domestic and foreign investment does the MPI intend to amend in the near future?

[Nhac] At present, the regulations and guidelines of the government are based on the provisions of the Law on Foreign Investment. This was amended in 1990 and 1992. Based on practice of previous years as well as needs of a new era of industrialization and modernisation aiming at high growth rates, the MPI, in co-operation with other ministries, has taken stock of all the bottlenecks and recommendations from domestic and foreign enterprises in order to propose to the government and the National Assembly adjustments and amendments to the law in October this year.

We try to make the law clear and concrete, creating a good legal infrastructure for foreign investment activities, co-ordinate with issued codes such as Labour Code, Civil Code, and the Mining Law, and amend provision proved in the practice. That is the legal basis for procedure and investment environment improvement aiming at efficient state management.

Co-ordination of integral policies to promote domestic and foreign investment is a very important issue. The Ministry will review various policies on the raising of funds, the capital ratio of the Vietnamese party

(in JVs (joint ventures)), domestic and foreign distribution of commodities, incentives to direct investment to mountainous areas, the central region and the agricultural sector, and incentives for investment in foodstuff processing.

[VIETNAM ECONOMIC TIMES] Is the lack of information necessary to prepare for an investment project and conduct a feasibility study an obstacle for investors? If so, does the MPI intend to create a better environment to obtain the kind of information that is necessary for investors?

[Nhac] Foreign investors usually complain about cumbersome investment formalities in Vietnam that have delayed the processing of their projects. As a matter of fact, in the current situation in Vietnam, preparing for the investment project itself is the more complicated process. The absence of an information system for foreign partners is an issue and concerns many sectors.

Preparing for investment projects, investors are really in need of information about economic sectors, areas and projects that are promoted as well as those that are restricted by the Vietnamese government so that they can, without worries seek their partners and identify investment possibilities. To make public the investment plans by geographic area and by industry is an urgent need many foreign investors are longing for. This work is very time consuming and expensive, but we will try to complete it within this calendar year.

SRV: Government To Equitize State-Owned Enterprises

BK1105094396 Hanoi VNA in English
0615 GMT 11 May 96

[FBIS Transcribed Text] Hanoi VNA May 11 — The government has signed a decree to turn a number of state-owned enterprises into joint stock companies.

The five-chapter decree, No. 28/CP, which is effective as from the signing date May 7, includes general provisions, principles to define the value of businesses, conditions and forms of equitization, preferential treatment to enterprises and workers and implementation organization.

The equitization of a number of state enterprises aims to mobilize capital from employees in these enterprises, from local and foreign individuals and economic organizations to invest in renewing technology to develop these businesses. This will also create conditions for investors and the employees of these enterprises to buy shares, thus creating new motive force to enable them to have effective operation.

All economic organizations of legal status, social organizations recognized by law, Vietnamese citizens from 18 years upwards are entitled to buy shares of equitized enterprises.

SRV: General Secretary Discusses 'Human Factor,' Other Issues

BK1305152396 Ho Chi Minh City CONG AN THANH PHO HO CHI MINH in Vietnamese 1 May 96 pp 1, 2

[Interview with Do Muoi, general secretary of the Communist Party of Vietnam, by Van Hung; place, date not given]

[FBIS Translated Text] [Van Hung] Mr. General Secretary, our country is about to enter the 21st century. The human factor is always considered the foremost strategy. Could you comment on this issue?

[Do Muoi] If our population growth is maintained at the current rate, our economy will not be able to keep pace with the increased population. Per capita income will be around \$250-300. We must train our Vietnamese people to make them capable. We cannot attain high productivity if we engage in labor without wisdom, intelligence, and professionalism (especially in science and technology). Without high productivity we cannot compete on the world market; as a result, we will not have the conditions to develop our country. If we cannot develop our economy, we will face numerous difficulties in implementing our objectives of national industrialization and modernization. Only through successful industrialization and modernization will we have the conditions to consolidate national defense and security and firmly defend our independence and freedom. Most importantly, laborers employed in industrialization and modernization should have good morals, be patriotic to the nation and socialism, have a sense of technical organization, and be appropriately trained for the implementation of industrialization. The most important thing is to study hard during training to become competent and attain high productivity and the best labor results when working, thus producing the best products for the Vietnamese people.

Summing up, the most important task at present is to integrate training efforts. According to history, the development of mankind depends on labor. Ever since people have lived in groups, labor has existed. People can reach the point of perfection through labor. Through hundreds of thousands of years, humanity has gone through slavery, feudalism, and capitalism. Thanks to labor, the current society has taken shape.

[Van Hung] Mr. General Secretary, some hold that in the market mechanism, Marxism-Leninism is dull and unattractive. What is your comment?

[Do Muoi] There are people who still have faith in Marxism-Leninism and those who do not. Some even reject it. Actually, Marx studied the conflicts at the core of capitalism carefully to find a solution to resolve them and accelerate social development. Marx's concept is to protect the interests of the working class, the laboring people, and the oppressed nations. Our party represents the interests of our workers, our laboring people, and our nation. As a result, we must firmly grasp Marxism-Leninism and Ho Chi Minh Thought. In applying Marxism-Leninism, we must take into consideration our nation's unique conditions, review the situation, and find a practical law of reality to determine the revolutionary orientations for advancing toward socialism. The renovation undertaking initiated and led by our party and enthusiastically supported and positively implemented by our people has recently recorded great achievements. This indicates that our party has correctly and creatively applied Marxism-Leninism and Ho Chi Minh Thought to our nation's unique conditions in the current situation.

[Van Hung] Many people still do not understand how we successfully contained inflation. Do the Vietnamese people have any special qualities?

[Do Muoi] Recent success in curbing inflation was due to our party and people's application of the correct formula: Marxist economic theory and Uncle Ho Thought. Some foreign capitalist experts said we must have \$3.3 billion to curb inflation at the rate of 600-700 percent. We had no such amount of money, but we knew how to apply Uncle Ho and Uncle Marx Thought to the reality in Vietnam, and thus were able to contain inflation. I still remember Uncle Ho's teaching: "Without the people we cannot fulfill tasks, even easy ones; with the people's help we can accomplish all tasks, no matter how difficult." If we want success, we must apply lines and policies in conformity with the law and aspirations of the people. I hope the people still remember Uncle Ho's teaching: "To build socialism we must have socialist men." Eastern ideology and tradition — our ancestors' tradition — are perfect indeed. The Vietnamese must strive to maintain, protect, and develop that tradition in the cause of national construction and defense and in triumphantly building socialism.

[Van Hung] Some say that party members are openly involved in embezzlement and corruption. What is your comment?

[Do Muoi] Yes, some party members dare to do so. Their words do not match their deeds. You comrades must write and fight against them.

[Van Hung] Do you have anything to say to the Public Security Force?

[Do Muoi] In short, the Public Security Force must strive firmly to maintain political stability and social safety to provide conditions for the people to carry out their peaceful livelihood, thus winning commendations from people everywhere.

[Van Hung] Dear Uncle, I would like to thank you for your enthusiasm and sentiments extended to CONG AN THANH PHO HO CHI MINH. I wish you good health and firmness in your present position to lead the nation toward socialism along with the entire party and people.

[Do Muoi] Throughout my life and my participation in revolutionary activities, I have always thought and acted in the interests of the fatherland, the nation, the working class, and the entire laboring people. I have no other intention.

[Van Hung] Thank you very much.

SRV: All-Army Party Congress 8 May Proceedings Reported

BK0905115296 Hanoi Voice of Vietnam Network
in Vietnamese 1400 GMT 8 May 96

[FBIS Translated Text] The All-Army Party Organization Congress focused its debate today on the party Central Committee Military Commission's political report, especially on the part dealing with national defense and the building of the Army party organization. Delegates to the congress unanimously concurred with the party Central Committee Military Commission's appraisal on both these areas in the past five years, and orientations and tasks for national defense and party organization building for 1996 to 2000.

Appraising national defense in the past five years, the delegates asserted that on the basis of the comprehensive renovation, our party has continued to bring about important changes to national defense and military concepts. The all-people national defense system and the all-people's war position for national defense have been gradually consolidated. The Army's integration and combat strength has been enhanced a step further. Party leadership over national defense and the Army has also been strengthened.

Assessing the building of the Army party organization, various delegates stressed that while implementing the Seventh National Party Congress resolution, the fifth All-Army Party Organization Congress resolution, the party Central Committee Third Plenum resolution, and other resolutions of the party Central Committee, the Army party organization has focussed its efforts to build a strong party organization politically, ideologically, and organizationally. It has strived to renovate the party,

consolidate and strengthen the party's firm and effective leadership over all areas of Army activity; helped the armed forces to satisfactorily defend national independence and security and protect territorial integrity, the fatherland, the socialist regime, and the party, while maintaining its role as a worthy political force and a loyal and reliable combat unit of the party, state, and people.

On the orientations and tasks for national defense and building the Army party organization for 1996 to 2000, various delegates called for efforts to bring into full play the integrated strengths of all people, the political system, all ministries, sectors, and localities under party leadership and state management. Efforts must be made to strengthen the potentialities of national defense and security, build the all-people national defense system, enhance the integrated strengths of the people's armed forces, and triumphantly carry out all the assigned tasks.

Regarding the party building task, many delegates stressed the need to enhance the political quality and to take it as a basis to integrated the strengths of the armed forces and ensure the party's firm leadership over the Army under all circumstances.

In their debate, a number of delegates also seriously criticized various deviations in building the all-people national defense system and the people's armed forces. Appropriate attention has not been paid to maintaining national defense consciousness at a number of sectors and units, thereby adversely affecting the nation's capability in national defense. Education on national defense for the people, especially the youth force, has been weak in many localities. Some delegates have proposed that various authorized echelons study and formulate appropriate policy to overcome new differences in the implementation of tasks by the people's armed forces.

The congress will continue discussions on 9 May, on the political report of the party Central Committee's Military Commission.

SRV: Military 'Actively Engaging' in Economic Development

*BK1205153496 Hanoi VNA in English
1433 GMT 12 May 96*

[FBIS Transcribed Text] Hanoi VNA May 12 — Military enterprises in Vietnam have been actively engaging in production for economic development over the last five years, contributing a 25 per cent increase in remittances to the state budget annually. They earned a combined turnover of over VND [dong] 4,000 billion (roughly USD 360 million) last year.

The initial result of their newly-assigned tasks in the production front is attributed to the Vietnamese Army's dynamism and undertakings to expand production scale, diversify consumer goods of high quality and improve economic efficiency.

Having grown since the Communist Party of Vietnam's resolution on the tasks for the army in the new revolutionary stage, most of the military units involved in economic production are now recognised as legal businesses and have a role to play in some key state-owned sectors.

There are now 193 businesses and four corporations of such kind, all focussing their work on serving national defence and socio-economic development better. Of these, the Truong Son Construction Corp., the Flight Service Corp., the Central Zone Corp., and the Thuan An Construction and Assembly Corp., are listed as the most successful as they have secured a firm foothold in the market-oriented economy.

The central zone corporation in the central highlands, whose tasks are to plant industrial and cash trees and provide other services, has to date put nearly 6,000 hectares under rubber and protected over 1,500 hectares of forests apart from growing other crops such as coffee and wet rice which yielded a high economic return for the corporation. In addition it has built three residential quarters to accommodate more than 500 farmer households from northern provinces to settle there. These new settlers are to work as rice and rubber growers at the newly-established farms in the central highlands now in the process of reshaping its economic structure.

The Truong Son Construction Corporation stands out as a numerous winner for international bids such as the Hoa Binh hydro-electricity plant, the biggest of its kind in Vietnam the highway linking Tpong Long Bridge in the north of Hanoi and the Noi Bai International Airport the Trans-Vietnam electricity and the upgrading and repairing of National Highways No.5 and 1, a number of inter-provincial highways the Dien Bien Phu Cemetery in the historic Dien Bien Phu former battlefield in the northwestern province of Lai Chau and the Hang Duong Cemetery on Con Dao, an island on the Southeastern Sea used by the US and the former South Vietnamese Government to imprison their enemy during the war.

Over the last five years, the corporation's output value has increased by 3.3 times and annual turnover rose over 1.5 times. The corporation is striving to bring its growth rate up by five times over that of 1995.

The flight service corporation, born when the economy began to shift to the market orientation, quickly adopted

the new way of business. Over the past five years, it has provided helicopter service for eight oil and gas exploration companies with nearly 600,000 flight hours over the sea, took part in more than 20 searches for US servicemen reported as missing in action (MIA) during the war, and opened air routes serving tourism. The corporation has also provided flight service for the conduct of aerial surveys, emergencies and the maintenance of the trans-Viet 500 KV line.

As far as joint ventures with foreign partners are concerned, army enterprises had entered into 49 foreign-invested projects by late 1995 capitalised at USD 471.5 million in mechanical engineering, car assembly, construction, garment making and services. Thirty four of them have become operational.

SRV: Open-Door Policy Reaffirmed; Decadent Culture Attacked

BK0905153096 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 8 May 96

[Xuan Trinh's article: "It Is Not Vietnam's Policy to Preach Xenophobia"]

[FBIS Translated Text] If people do not fully realize the root cause of the situation, they may have a misunderstanding about the above-mentioned statement. Furthermore, if they interpret facts through the restoration of order in the use of foreign language ads or through the abolition of harmful printed materials, their judgement could be inaccurate. We share the concern of foreign investors who truly want to promote ties with Vietnam in all fields. We would like to keep them informed of the contents of a brief interview granted to a REUTER correspondent by General Secretary Do Muoi at break time during the closing session of the ninth National Assembly in late March 1996 as follows: Vietnam has pursued an open-door policy and will continue to do so. Vietnam does not consider anybody to be its enemy. We treat all nations and peoples as our friends. Vietnam is a prosperous country for businessmen. We welcome them to do business in our country and contribute to our national construction and development.

This statement of the highest-ranking Vietnamese leader can be interpreted as a message that carries more weight than any other explanations or comments. The reason is because this statement has been testified eloquently by realities in our country. A quick survey indicates that it is easy for people to buy varied kinds of foreign products in the domestic market. People can also enjoy

movie shows, ballet performances, or foreign music programs on television or over the radio.

Of course, one should realize that the above-mentioned complaints and criticisms do not originate only from people of goodwill but with misunderstanding. We need to heighten vigilance against those who nurture the dark scheme to use decadent cultural materials to degrade our younger generations but who are dealt a due blow by our campaign against harmful cultural materials.

Culture is the root of a nation. It goes without saying that an alien culture is cause for concern. Yet, the impact of a decadent culture is more destructive. Is there anyone among us who is not heartbroken by incidents involving minors who kill and rob people of their property or by cases of innocent little girls raped by individuals who confess to having watched violent or explicit sex video movies imported from foreign countries?

Social and cultural standards form an indispensable factor of development of a country. The Vietnamese people highly appreciate the concept of an Asian state leader that the basic elements of a country's development rest with a stable political system, a flexible economic system, a healthy society, a culture full of national traits, and a law-abiding society.

Let's mention the case of more distant countries like France. Despite a developed cultural system and a modern movie industry, many French people now complain that more and more American movies have been screened in France. French magazine L'EXPRESS on 14 March 1996 reported that under the influence of a morbid movie titled 'Natural Born Killers' by Oliver Stone, Veronique, 18, and Sebastien, 17, stabbed 16-year old Abdel, 40 times on 2 March.

Another incident took place in Australia on the afternoon of 28 April. Martin Bryant, 28, opened fire with two rifles at hundreds of tourists in a cafeteria, killing 34 people and injuring 19 others. This horrible massacre was unprecedented in Australia. Its prime minister, warned of the danger of a violence culture taking root in his country.

Learning from the experiences of regional countries, Vietnam is harmoniously combining economic growth with cultural development, reflecting a new concept on culture as a moral foundation of society and an internal factor of development and regarding this factor as both a driving force and a noble goal of the socialist regime

that we have chosen. Therefore, it is our policy to make continued efforts to promote a modern culture full of national traits and to strive to absorb the quintessence of the world culture while at the same time resolutely fighting against the trend to worship an alien culture and checking the infiltration of harmful culture.

We do not intend to oppose anybody, do we? The only thing worth noting here is that our endeavors do not

match the perfidious schemes of those who opt for a path different from ours.

With the promulgation of Decree 87 CP and the unanimous support of the people, we reassert our intention to carry on the open-door policy.

Australia

Australia: Minister Says Government To Rebuild Ties With Europe

LD0905110496 Melbourne Radio Australia
in English 0700 GMT 9 May 96

[FBIS Transcribed Text] Australia's foreign minister, Alexander Downer, says the new government intends to rebuild relations with Europe after 13 years of the previous Labor Party government. Mr. Downer says Australia can pursue an engagement with Asia as its first priority without giving rise to the perception that relations with Europe are in the past.

He says Australia is negotiating a framework agreement with the European Commission which he expects to be completed by the end of the year. Mr. Downer says he agrees with comments by the European Commission's ambassador to Australia, Aneurin Hughes, that there had been a deliberate disavowal in Australia of the importance of its commercial and cultural links with Europe.

Australia: Canberra Deports 59 Boat People to Southern China

BK1105130896 Melbourne Radio Australia
in English 1100 GMT 11 May 96

[FBIS Transcribed Text] Australia has deported 59 Sino-Vietnamese boat people to Southern China. The group arrived in Australia in November 1994. Immigration Official Harley (Dadwools) says the boat people failed to qualify for refugee status and had exhausted the appeal process. He says others from the same boat have also reached the end of the appeal process and are on notice that they will be flown out soon. Mr. (Dadwools) said since 1990 1,260 boat people have been returned to their countries of origin — 940 of them to China.

Australia: Another 66 Boat People Arrive on Christmas Island

BK1205084596 Melbourne Radio Australia
in English 0600 GMT 12 May 96

[FBIS Transcribed Text] A boat carrying 66 asylum seekers has arrived at the Australian territory of Christmas Island in the Indian Ocean. A spokesman for the Australian Department of Immigration says it believed the latest arrivals have come from Southern China. The group will be transferred to the Port Hedland Detention Center for processing. It is the fourth vessel carrying asylum seekers to arrive at Christmas Island in the past seven days.

Yesterday, Australia deported 59 Sino-Vietnamese boat people to Southern China after they were refused refugee status.

Australia: Trade Minister Outlines APEC Action Plan

BK1305160596 (Internet) Australian Department of Foreign Affairs and Trade WWW in English 9 May 96

["Media Release" issued by Tim Fischer, Australian deputy prime minister and minister for trade, in Canberra on 9 May: "Australia to Table APEC Action Plan"]

[FBIS Transcribed Text] Australia will table its APEC [Asia Pacific Economic Cooperation] Individual Action Plan (IAP) during the APEC senior officials meeting in Cebu, Philippines, on May 22-24, the Deputy Prime Minister and Minister for Trade, Tim Fischer, said today.

"Early tabling of IAPs this year will provide the first concrete indication of how APEC members intend to meet the trade and investment liberalisation commitments agreed at the Bogor APEC Leaders meeting in November 1994," Mr Fischer said. "It will also signal the start of a process of consultation among all APEC members on their liberalisation plans. The Government will be using these APEC consultations to pursue Australia's market access priorities with other APEC members. Ministers will assess the IAP process throughout the year, before the plans are finalised when APEC Ministers and Leaders meet in November in the Philippines."

Mr Fischer said Australia's IAP would address the main trade liberalisation issues of tariffs, non-tariffs, investment and services, although the 1996 IAP would not pre-judge the outcomes of the existing and previously announced reviews into the passenger motor vehicle, textiles clothing and footwear, and sugar sectors.

Other elements of the IAP dealt with important trade facilitation issues such as standards and customs procedures, intellectual property rights, competition policy, mobility of business people, and deregulation. Mr Fischer said Australia's IAP reflected the positive contribution which Australia has made on many of these issues. "Australia's plan is fully consistent with the general principles of the Osaka Action Agenda agreed by leaders in November 1995, including comprehensives, WTO consistency, comparability, and transparency," Mr Fischer said.

"It is also consistent with the Government's commitment to ongoing micro-economic reform. Australia has done a great deal to liberalise our market consistent with APEC goals, and we expect others to match our

record. The Government will pursue vigorously Australian trade and investment priorities within APEC. Discussions with industry will enable the Government to explain the IAP process and to ensure industry interests are fully reflected in consultations with other APEC members," Mr Fischer said.

French Polynesia

French Polynesia: Ruling Party Retains Control in Election

LD1405091095 Wellington Radio New Zealand International in English 0700 GMT 14 May 96

[FBIS Transcribed Excerpt] French Polynesia's ruling party has retained control of the territorial assembly in yesterday's election. The Tahoeraa Huiraatira Party, which is led by the territory's president, Gaston Flosse, has won 22 of the assembly's 41 seats. This marks an increase of four seats over the previous term. The party is credited with winning continued economic aid from the government in Paris, while winning greater autonomy for the territory. The pro-independence Tavini Huiraatira Party, which is led by Oscar Temaru, has boosted its strength, winning 10 seats. [passage omitted]

New Zealand

New Zealand: Prime Minister Bolger on Relations With United States

LD1005163196 Melbourne Radio Australia in English 0800 GMT 10 May 96

[FBIS Transcribed Text] New Zealand Prime Minister Jim Bolger says previously strained relations with the United States are now very warm and constructive. Speaking at a media conference in Tokyo Mr. Bolger said the relationship between New Zealand and the United States was excellent. He added that the nuclear arms question had changed but made no comment on whether those differences were being resolved. Relations between Washington and Wellington deteriorated several years ago when New Zealand banned from its waters nuclear armed or nuclear powered warships. The United States, which maintains a policy of not revealing whether its ships are equipped with nuclear weapons, responded by cutting New Zealand out of a mutual defense pact involving Australia, called ANZUS.

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